

KENTUCKY HORSE RACING COMMISSION

December 11, 2018

AGENDA

**Location: Kentucky Horse Park
Rolex Hospitality Room
4089 Iron Works Pkwy.
Lexington, KY 40511**

Time: 1:30 pm

I. Call to Order and Roll Call

II. New Business

- 1.** Minutes from August 21, 2018, September 25, 2018 & October 16, 2018
- 2.** 2019 Meeting Schedule and Calendar
- 3.** Kentucky Sire Stakes Purse Distributions and Race Dates
- 4.** Kentucky County Fairs: Race dates, Race Officials and Payment to the Kentucky Colt Association for Purse Distributions
- 5.** Transfer of Funds to the Kentucky Racing Health & Welfare Fund
- 6.** Proposed Conditions to Conduct Advance Deposit Account Wagering for 2019
- 7.** Requested Approval of Advance Deposit Account Wagering Licenses for 2019
- 8.** Requested Approval of Totalizer Licenses for 2019
- 9.** Churchill Downs Request to Amend Historical Horse Racing Wagering Profile
- 10.** Penalty Classification for Cannabidiol, Tetrahydrocannabinol (THC) and Cardarine
- 11.** Characterizing Compositional and Mechanical Changes of Equine Proximal Sesamoid Bones Associated with Catastrophic Race Failure
- 12.** Installation of Moisture Sensors on Grooming Harrows for Temporal and Spatial Analysis of Moisture Content on a Dirt Racing Surface
- 13.** Presentation: Historical Horse Racing Facility Update—Turfway Park
- 14.** Reports
 - a.** Thoroughbred Rulings
 - b.** Standardbred Rulings
 - c.** Veterinary Division
 - d.** Pari-Mutuel Wagering Division

III. Other Business

- 1.** Contributions to the Kentucky Breeder's Incentive Fund

IV. Adjournment

###

KENTUCKY HORSE RACING COMMISSION

MINUTES OF THE MEETING

Date: August 21, 2018 at 1:30 PM

Place: The Red Mile Clubhouse, 1200 Red Mile Road, Lexington, KY 40504

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner James Gatewood Bell, Jr.; Commissioner Larry Bisig; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry Cauthen; Commissioner Kiki Courtelis; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Kenneth Jackson; Commissioner Brereton Jones, Jr.; and Commissioner Foster Northrop, DVM

Ex-officio Members Present: Leigh Powers, by proxy and on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development (arrived after Roll Call performed); and Acting Secretary Gail Russell, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Mike Stone, Chairman, Kentucky Council on Problem Gambling; Joey Nolasco, Principal/Co-Founder, and Sam Montgomery, Project Manager, Integrity Architecture; and Mike Zeigler, Churchill Downs

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
I. Call to Order and Roll Call	3 – 5	Meeting called to order. Chairman Kling introduced new Commissioner Larry Bisig. Supreme Court Justice Laurance B. VanMeter administered the oath of office and swore in Commissioner Bisig. Chairman Kling also introduced Commissioner Simendinger as the KHRC's new Vice-Chairman.	No action taken.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		Roll call was performed by Chairman Kling. A quorum was recognized.	
N/A	5 – 6	Chairman Kling extended the Commission's appreciation to Saratoga Harness Racing Company and the Kentucky Horsemen's Benevolent and Protection Association for the purchase and smooth transition of Ellis Park. He also congratulated Ellis Park on receiving accreditation from the National Thoroughbred Racing Association.	No action taken. Informational item only.
II. New Business Tab 1 Red Mile request for earlier post time on Sunday September 16, 2018	6 – 69 6 – 7	<p>Chairman Kling requested a motion from the Commission to address the request submitted by The Red Mile for an earlier post time of 3:00 PM on Sunday, September 16, 2018. Motion by Commissioner Hendrickson. Second by Commissioner Jackson.</p> <p>Ms. Eads presented The Red Mile's request dated July 18, 2018 as outlined in the agenda materials. The proposed earlier post time would be to accommodate the Kentucky Sire Stakes Championship races and the Victory Song Festival.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 2 Keeneland's Proposed 2018 Fall Meet KTDF Allotments	7 – 9	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure for Keeneland's 2018 Fall meet. Motion by Commissioner Brown. Second by Commissioner Bell.</p> <p>Ms. Eads presented Keeneland's request dated August 1, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Keeneland's request at its August 1, 2018 meeting.</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		Approval of the KTDF Advisory Committee's recommendation is recommended by KHRC staff.	
Tab 3 Churchill Downs' Proposed 2018 September Meet KTDF Allotments	9 – 10	<p>Chairman Kling requested a motion from the Commission to address the recommendation submitted by the KTDF Advisory Committee to approve the proposed KTDF purse structure for Churchill Downs' 2018 Fall meet. Motion by Commissioner Bell. Second by Commissioner Day.</p> <p>Ms. Eads presented Churchill Downs' request dated July 25, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Churchill Downs' request at its August 1, 2018 meeting.</p> <p>Approval of the KTDF Advisory Committee's recommendation is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the recommendation as presented. Motion carried with no objections or abstentions.
Tab 4 Keeneland's Proposed 2018 Fall Race Meet Officials	10 – 12	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland to approve its proposed 2018 Fall race meet roster of racing officials and dates preference system. Motion by Commissioner Holt. Second by Commissioner Brown.</p> <p>Ms. Borden presented Keeneland's request dated August 1, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 5 Churchill Downs' Proposed 2018 Fall Race Meet Officials	12 – 14	Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve its proposed 2018 Fall race meet roster of racing officials and dates preference	Chairman Kling called for a vote to approve the request as presented. Motion carried with no

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
		<p>system. Motion by Commissioner Day. Second by Commissioner Northrop.</p> <p>Ms. Borden presented Churchill Downs' request dated August 2, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	<p>objections or abstentions.</p>
<p>Tab 6 Churchill Downs' Wagering Menu for 2018 Breeders' Cup World Championships</p>	<p>14 – 18</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed Breeders' Cup wager-related amendment to the previously-filed application for 2018 race dates. Motion by Commissioner Day. Second by Commissioner Jones.</p> <p>Mr. May presented Churchill Downs' request dated August 9, 2018 as outlined in the agenda materials. KHRC staff has reviewed the request as presented and determined that the proposed wagering structure complies with Kentucky statutes and regulations.</p> <p>Approval is recommended by KRHC staff.</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>
<p>Tab 7 Kentucky Downs' Request for Additional Historical Horse Racing Entertaining Games Themes</p>	<p>18 – 20</p>	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Kentucky Downs to offer six additional historical horse racing pari-mutuel entertaining game themes. Motion by Commissioner Cauthen. Second by Commissioner Courtelis.</p> <p>Mr. May presented Kentucky Downs' request dated July 25, 2018 as outlined in the agenda materials. The software has been tested by Gaming Laboratories International (GLI) and confirmed to be in compliance with Kentucky statutes and regulations. KHRC staff has</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		<p>also reviewed all documentation provided by Kentucky Downs, Exacta Systems and GLL.</p> <p>KHRC staff recommends approval.</p>	
Tab 8 Churchill Downs' Request for Additional Historical Horse Racing Pools	20 – 27	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs Racetrack, LLC, by and through its wholly-owned subsidiary, Derby City Gaming, LLC to approve 44 additional Ainsworth Game Technology (Ainsworth) historical horse racing pari-mutuel racing pools and related entertainment games. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. May presented Churchill Downs/Derby City Gaming's request dated August 13, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff contingent upon the conditions of approval of the Ainsworth Game Technology historical horse racing pari-mutuel wagering system as approved by the Commission on July 17, 2018 and following two additional conditions: 1) submission by Churchill Downs' staff of a final commingled pool list to the KHRC for review and approval by KHRC staff; and 2) submission by Ainsworth of a seed pool analysis using the final commingled pool list.</p>	Chairman Kling called for a vote to approve the request as presented and upon the conditions as discussed. Motion carried with no objections or abstentions.
Tab 9 Churchill Downs' Update on Historical Horse Racing Facilities	27 – 37	Mr. Ziegler presented an update on the opening of Derby City Gaming. Additionally, at Mr. May's request, Mr. Zeigler updated the Commission on Derby City Gaming's progress in complying with the conditions of approval as set out at the Commission's July 17, 2018 meeting.	No action taken. Informational items only.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Tab 10 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	60 – 69 60 – 62 62 – 63 63 – 64 65 – 69 69	a. Ms. Borden presented the thoroughbred rulings report. There were no updates to the rulings report. b. Mr. Guilfoil presented the standardbred rulings report. There were no updates to the rulings report. c. Dr. Scollay presented the veterinary division report. d. Mr. May presented the pari-mutuel wagering division report. e. Litigation and Regulation report is for informational purposes only.	No action taken. Informational items only.
III. Other Business 1. Presentation by Mike Stone, Chairman, Kentucky Council on Problem Gambling	70 – 87 37 – 60 87 – 88	1. Mr. Stone gave a presentation on “addictive gambling” on behalf of the Kentucky Council on Problem Gambling. Mr. Nolasco and Mr. Montgomery presented an update on the progress of Turfway Park’s renovations. Chairman Kling acknowledged and thanked former Vice-Chairman John Roach for sharing his knowledge and experience with the Commission and his dedication to our common goals.	No action taken. Informational item only.
IV. Adjournment	88 – 89	Chairman Kling requested a motion to adjourn. Motion by Commissioner Jackson. Second by Commissioner Cauthen. Meeting adjourned.	Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.

KENTUCKY HORSE RACING COMMISSION

MINUTES OF THE SPECIAL MEETING

Date: September 25, 2018 at 1:30 PM

Place: United States Dressage Federation, 4051 Iron Works Parkway, Kentucky Horse Park, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner Larry Bisig; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry Cauthen; Commissioner Kiki Courtelis; Commissioner Patrick A. Day; Commissioner Douglas A. Hendrickson; Commissioner Lesley Ann May Howard; Commissioner Kenneth Jackson; Commissioner Brereton Jones, Jr.; Commissioner Foster Northrop, DVM; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Leigh Powers, by proxy and on behalf of Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development (arrived after Roll Call performed); and Acting Secretary K. Gail Russell, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; and Barbara Borden, Chief State Steward

Others Participating: Tony Cotto, Executive Advisor, Public Protection Cabinet; Duncan Bell, Executive Assistant, Public Protection Cabinet; and Marty Maline, Executive Director, Kentucky Horseman's Benevolent and Protective Association

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
I. Call to Order and Roll Call	4 – 5	Special Meeting called to order. Roll call was performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business Consider and vote upon regulation changes: Tab 2 CH. 2 General	5 – 61 5 – 60	Chairman Kling recommended, absent any objection, to combine KAR Title 810 Chapters 2 through 9 into one motion and requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed KAR 810 Chapters 2 through 9 to be filed as new regulations to replace the majority of the current	Chairman Kling called for a vote to approve the request as presented and with the amendments as discussed. Motion

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>a. 810 KAR 2-010 – Racing Commission and Administrative Staff</p> <p>b. 810 KAR 2-010 – Thoroughbred and Flat Racing Officials</p> <p>c. 810 KAR 2:030 – Chemical Dependency</p> <p>d. 810 KAR 2-040 – Stewards</p> <p>e. 810 KAR 2:050 – Judges and Standardbred Racing Officials</p> <p>f. 810 KAR 2:060 – Authorized Agents and Jockey Agents</p> <p>g. 810 KAR 2:070 – Thoroughbred and Other Flat Racing Associatinos</p> <p>h. 810 KAR 2:080 – Standardbred Racing Associations</p> <p>Tab 3 CH. 3 Licensing</p> <p>i. 810 KAR 3-010 – Licensing of Racing Associations</p> <p>j. 810 KAR 3-020 – Licensing of Racing Participants</p> <p>k. 810 KAR 3-030 – Licensing of Totalizator Companies</p>	<p>9</p> <p>52 – 54</p>	<p>regulatory scheme. Motion by Commissioner Richardson. Second by Commissioner Northrop.</p> <p>Mr. Forgy presented the KHRC staff's request as outlined in the agenda materials. Mr. Forgy noted that as part of Governor Bevin's red tape reduction initiative, KHRC legal staff, KHRC division directors, stewards and judges conducted a comprehensive review of the regulations in their particular purview to determine which provisions could be improved, made clearer, were no longer necessary, or could be updated. In conjunction with Public Protection Cabinet (PPC) staff, the KHRC designed a new regulatory scheme that included repealing current regulations and creating new chapters organized by subject all under the existing KAR Title 810.</p> <p>Chairman Kling noted the arrival of Secretary Gill's proxy, Jessica Burke.</p> <p>There was a lengthy discussion period, during which Mr. Forgy addressed questions.</p> <p>Prior to calling for a vote, Chairman Kling and Vice-Chairman Simendinger commended and thanked the KHRC and PPC staff for their hard work on the lengthy and complicated process of restructuring the KHRC's regulatory scheme.</p>	<p>carried with no objections or abstentions.</p>

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>I. 810 KAR 3-040 – Advance Deposit Account Wagering</p> <p>m. 810 KAR 3-050 – Simulcast Facilities</p> <p>Tab 4 CH. 4 Flat and Steeplechase Racing</p> <p>n. 810 KAR 4:010 – Horses</p> <p>o. 810 KAR 4-020 – Weights</p> <p>p. 810 KAR 4-030 – Entries, Subscriptions, and Declarations</p> <p>q. 810 KAR 4-040 – Running of the Race</p> <p>r. 810 KAR 4-050 – Claiming Races</p> <p>s. 810 KAR 4-060 – Objections and Complaints</p> <p>t. 810 KAR 4-070 – Jockeys and Apprentices</p> <p>u. 810 KAR 4-080 – Steeplechase Racing</p> <p>v. 810 KAR 4-090 – Owners</p> <p>w. 810 KAR 4-100 – Trainers</p>			

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>Tab 5 CH. 5 Standardbred Racing x. 810 KAR 5:010 – Registration and Identification of Horses y. 810 KAR 5:020 – Eligibility and Classification z. 810 KAR 5-030 – Claiming Races aa. 810 KAR 5-040 – Farm, Corporate, or Stable Name bb. 810 KAR 5-050 – Stakes and Futurities cc. 810 KAR 5-060 – Entries and Starters dd. 810 KAR 5-070 – Running of the Race ee. 810 KAR 5-080 – Harness Racing at County Fairs</p> <p>Tab 6 CH. 6 Pari-Mutuel Wagering ff. 810 KAR 6-020 – Calculation of Payouts and Distribution of Pools</p> <p>Tab 7 – CH. 7 Incentive and Development Funds gg. 810 KAR 7-010 – Backside Improvement Fund</p>			

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>hh. 810 KAR 7-020 – Kentucky Thoroughbred Breeders’ Incentive Fund</p> <p>ii. 810 KAR 7-030 – Kentucky Thoroughbred Development Fund</p> <p>jj. 810 KAR 7-040 – Kentucky Standardbred Development Fund and Kentucky Standardbred Breeders’ Incentive Fund</p> <p>kk. 810 KAR 7-060 – Kentucky Quarter Horse, Paint Horse, Appaloosa and Arabian Development Fund</p> <p>ll. 810 KAR 7-070 – Violations, Discipline, Disputes and Investigations</p> <p>Tab 8 CH. 8 Medication Guidelines</p> <p>nn. 810 KAR 8-010 – Medication; Testing Procedures; Prohibited Practices</p> <p>oo. 810 KAR 8-020 – Drug, Medication and Substance Classification Schedule and Withdrawal Guidelines</p>			

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
<p>pp. 810 KAR 8-030 – Disciplinary Measures and Penalties</p> <p>qq. 810 KAR 8-040 – Out of Competition Testing</p> <p>rr. 810 KAR 8-050 – International Medication Protocol as a Condition of a Race</p> <p>ss. 810 KAR 8-060 – Post-Race Sampling and Testing Procedures</p> <p>Tab 9 Hearing and Appeals</p> <p>tt. 810 KAR 9-010 – Hearings, Reviews and Appeals</p> <p>Tab 10 Definitions</p> <p>Forms and other Materials Incorporated by Reference</p> <p>Repealers</p>			
III. Adjournment	60 – 61	Prior to requesting a motion to adjourn, Chairman Kling read a prepared statement announcing that the KHRC is entertaining new and renewal association licenses for 2019. Chairman Kling stated that the deadline for filing applications at the KHRC offices is October 1, 2018 as posted on the KHRC's website. Because multiple initial applications are anticipated, Chairman Kling assigned the Race	Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
	61 – 62	<p>Dates Committee to initiate a comprehensive review of all initial applications in order for the Commission to determine which, if any, of the applicants would best promote, develop, and improve the horse racing industry in Kentucky.</p> <p>With no other business to be presented, Chairman Kling requested a motion to adjourn the special meeting. Motion by Commissioner Cauthen. Second by Commissioner Jackson. Meeting adjourned.</p>	

NOTE: The Agenda materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.

KENTUCKY HORSE RACING COMMISSION

MINUTES OF THE MEETING

Date: October 16, 2018 at 1:30 PM

Place: The Central Kentucky Riding for Hope Center, 4158 Walt Robertson Drive, Lexington, KY 40511

Members Present: Chairman Franklin S. Kling, Jr.; Vice-Chairman Mark Simendinger; Commissioner James Gatewood Bell, Jr.; Commissioner Larry Bisig; Commissioner Stuart E. Brown, II, DVM; Commissioner Kerry Cauthen; Commissioner Kiki Courtelis; Commissioner Douglas A. Hendrickson; Commissioner Gerald W. Holt; Commissioner Lesley Ann May Howard; Commissioner Kenneth Jackson; Commissioner Brereton C. Jones, Jr.; Commissioner Foster Northrop, DVM; and Commissioner J. David Richardson, M.D.

Ex-officio Members Present: Secretary Don Parkinson, Tourism, Arts & Heritage Cabinet; Jessica Burke, by proxy and on behalf of Secretary Terry Gill, Cabinet for Economic Development; and Acting Secretary K. Gail Russell, Public Protection Cabinet

KHRC Staff Participating/Present: Marc A. Guilfoil, Executive Director; Jamie Eads, Deputy Executive Director and Director of Division of Incentives and Development; John L. Forgy, General Counsel; Shawn D. Chapman, Deputy General Counsel; Steve May, Director of Pari-Mutuel Wagering and Compliance; Mary Scollay, DVM, Equine Medical Director; Bruce Howard, DVM, Chief Racing Veterinarian; and Barbara Borden, Chief State Steward

Others Participating: Kevin Flanery, President, Churchill Downs Racetrack, and Senior Vice President, Churchill Downs Incorporated

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
I. Call to Order and Roll Call	4 – 5	Meeting called to order. Roll call was performed by Chairman Kling. A quorum was recognized.	No action taken.
II. New Business Tab 1 Minutes from June 19, 2018 and July 17, 2018	5 – 46 5 – 6	Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed minutes of the June 19, 2018 Commission meeting. Motion by Commissioner Richardson. Second by Commissioner Jackson. Ms. Eads presented the minutes of the June 19, 2018 Commission meeting as outlined in the agenda materials.	Chairman Kling called for a vote to approve the June 19, 2018 meeting minutes as presented. Motion carried with no objections or abstentions.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
	6 – 7	<p>Approval is recommended by KHRC staff.</p> <p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed minutes of the July 17, 2018 Special Meeting. Motion by Commissioner Brown. Second by Commissioner Courtelis.</p> <p>Ms. Eads presented the minutes of the July 17, 2018 Special Meeting as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the July 17, 2018 Special meeting minutes as presented. Motion carried with no objections or abstentions.
Tab 2 Conditions of Racing Association Licensing 2019	7 – 9	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed Conditions of Racing Association Licensing for 2019. Motion by Commissioner Hendrickson. Second by Commissioner Jones.</p> <p>Mr. Forgy presented the KHRC staff request as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 3 Conditions to Conduct Historical Horse Races for 2019	9 – 10	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed Conditions to Conduct Historical Horse Races for 2019. Motion by Commissioner Brown. Second by Commissioner Richardson.</p> <p>Mr. Forgy presented the KHRC staff request as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Tab 4 Racing Association Applications and Race Dates for 2019	10 – 14	<p>Chairman Kling requested a motion from the Commission to address the request submitted by KHRC staff to approve the proposed applications for a license to conduct live horse racing, simulcasting, and pari-mutuel wagering for 2019 and the proposed race dates and host status dates for 2019. Motion by Commissioner Hendrickson. Second by Commissioner Jones.</p> <p>Mr. Forgy presented the renewal applications for the seven currently licensed thoroughbred and standardbred racetracks as outlined in the agenda materials. He stated that the Race Dates Committee had reviewed the applications and recommended approval by the Commission.</p> <p>Mr. Forgy stated that KHRC staff recommended approval of Ellis Park, Kentucky Downs, The Red Mile, Keeneland and Churchill Downs' applications. He further stated that recommendation for approval of Players Bluegrass Downs and Turfway Park's applications is conditioned upon the Commission's receipt of each track's agreement with the horsemen.</p>	<p>Chairman Kling called for a vote to approve the applications of Ellis Park, Kentucky Downs, The Red Mile, Keeneland and Churchill Downs as presented. Motion carried with no objections or abstentions.</p> <p>Chairman Kling called for a vote to approve the applications of Players Bluegrass Downs and Turfway Parks' conditioned upon receipt of their horsemen's contracts.</p>
Tab 5 Churchill Downs' Backside Improvement Proposal	14 – 15	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs for approval of an estimated proposed expenditure of \$660,000 from the Backside Improvement Fund. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Ms. Eads presented Churchill Downs' request dated September 22, 2018 as outlined in the agenda materials. KHRC staff has reviewed and confirmed the projects fulfil the statutory requirements and that Churchill Downs has the funds available in the Backside Improvement Fund. Upon completion of the projects, KHRC staff will inspect the repair work and confirm completion. Copies of all</p>	<p>Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.</p>

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		<p>invoices, photographs and communications will be kept on file at the KHRC office.</p> <p>Approval is recommended by KHRC staff.</p>	
Tab 6 Churchill Downs' Proposed 2018 Fall Meet KTDF Allotments	15 – 16	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Churchill Downs to approve the proposed KTDF purse structure for Churchill Downs' 2018 Fall meet. Motion by Commissioner Richardson. Second by Commissioner Jackson.</p> <p>Ms. Eads presented Churchill Downs' request dated October 2, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Churchill Downs' request at its October 9, 2018 meeting.</p> <p>Approval is recommended by KRHC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 7 Turfway Park's Proposed 2018 Holiday Meet & 2019 Winter Spring Meet KTDF Allotments	16 – 18	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park to approve the proposed KTDF purse structure for Turfway Park's 2018 Holiday meet and 2019 Winter/Spring meet. Motion by Commissioner Northrop. Second by Commissioner Brown.</p> <p>Ms. Eads presented Turfway Park's request dated October 3, 2018 as outlined in the agenda materials. The KTDF Advisory Committee reviewed, discussed and approved recommendation of Turfway Park's request at its October 9, 2018 meeting.</p> <p>Approval is recommended by KRHC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 8 Turfway Park's 2018 Holiday Meet & 2019 Winter Spring Meet Race	18 – 19	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Turfway Park to approve its proposed roster of racing officials and the dates preference system for the</p>	Chairman Kling called for a vote to approve the request as presented as

AGENDA ITEM	TRANSCRIPT PAGE NUMBER(S)	DISCUSSION / CONCLUSIONS / RECOMMENDATIONS	ACTION TAKEN
Officials & Date Preference System		<p>2018 Holiday meet and 2019 Winter/Spring meet. Motion by Commissioner Holt. Second by Commissioner Northrop.</p> <p>Ms. Borden presented Turfway Park's request dated September 20, 2018 as outlined in the agenda materials. All listed officials are ROAP accredited and have previously performed the duties for which they are listed and will be licensed before the meet opening.</p> <p>Approval is recommended by KHRC staff.</p>	discussed. Motion carried with no objections or abstentions.
Tab 9 Request from Churchill Downs to Approve Five Additional Historical Horse Racing Pools	19	Tab 9 was withdrawn from consideration.	No action taken. Item was withdrawn.
Tab 10 Request from Keeneland/The Red Mile to Approve Pari MAX releases 3.10, 3.10.1, 3.11.1, and 3.12.	19 – 23	<p>Chairman Kling requested a motion from the Commission to address the request submitted by Keeneland/Red Mile to approve PariMAX release 3.10, release 3.10.1, release 3.11.1, and release 3.12. Motion by Commissioner Bisig. Second by Commissioner Richardson.</p> <p>Mr. May presented Keeneland/Red Mile's request dated September 27, 2018 as outlined in the agenda materials.</p> <p>Approval is recommended by KHRC staff on the condition that the "Higher Jackpot" option for all PariMAX wager profiles shall not be implemented without prior written approval of the KHRC.</p>	Chairman Kling called for a vote to approve the request as presented and upon the condition as discussed. Motion carried with no objections or abstentions.
Tab 11 Ratification of Cross Country Pick-4 Wager at Kentucky Downs	23 – 24	Chairman Kling requested a motion from the Commission to address ratification of the Executive Director's approval of the request submitted by Kentucky Downs to offer a Kentucky Downs/Belmont Park Pick 4 wager. Motion by Commissioner Bell. Second by Commissioner Richardson.	Chairman Kling called for a vote to ratify the Executive Director's approval of the request as presented. Motion

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
		<p>Mr. May presented Kentucky Downs' September 7, 2018 request as outlined in the agenda materials.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>carried with no objections or abstentions.</p>
Tab 12 Ratification of Pick-8 Wager at The Red Mile	25 – 26	<p>Chairman Kling requested a motion from the Commission to address ratification of the Executive Director's approval of the request submitted by The Red Mile to offer The Red Mile Pick 8 wager. Motion by Commissioner Bell. Second by Commissioner Northrop.</p> <p>Mr. May presented The Red Mile's request dated September 10, 2018 as outlined in the agenda materials. Mr. May noted that this was a one time wager on Sire Stakes Finals day only.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to ratify the Executive Director's approval of the request as presented. Motion carried with no objections or abstentions.</p>
Tab 13 Ratification of Multi-track Pick-4 Wager at Keeneland	26 – 28	<p>Chairman Kling requested a motion from the Commission to address ratification of the Executive Director's approval of the request submitted by Keeneland to offer Keeneland/Woodbind Pick 4 wager. Motion by Commissioner Brown. Second by Commissioner Northrop.</p> <p>Mr. May presented Keeneland's request dated October 8, 2018 as outlined in the agenda materials. Mr. May noted that this was a one time wager on Sire Stakes Finals day only.</p> <p>Ratification of the Executive Director's approval is recommended by KHRC staff.</p>	<p>Chairman Kling called for a vote to ratify the Executive Director's approval of the request as presented. Motion carried with no objections or abstentions.</p>

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
Tab 14 Memorandum of Agreement with New Vocations Racehorse Adoption Program	28 – 32	<p>Chairman Kling requested a motion from the Commission to approve the request submitted by KHRC staff to support three horses at New Vocations, a racehorse adoption program. Motion by Commissioner Howard. Second by Commissioner Richardson.</p> <p>Dr. Scollay presented the request as outlined in the agenda materials. The EDRC voted unanimously to recommend the request for approval by the Commission at its October 2, 2018 meeting.</p> <p>Approval is recommended by KHRC staff.</p>	Chairman Kling called for a vote to approve the request as presented. Motion carried with no objections or abstentions.
Tab 15 Reports a. Thoroughbred Rulings b. Standardbred Rulings c. Veterinary Division d. Pari-Mutuel Wagering Division e. Confidential – Litigation and Regulations	32 – 46 32 – 33 33 – 34 34 – 44 44 – 46	<p>a. Ms. Borden presented the thoroughbred rulings report as outlined in the agenda materials. She provided one update to Ruling No. 18-0084, noting that the fine has been paid.</p> <p>b. Mr. Guilfoil presented the Standardbred rulings report as outlined in the agenda materials. There were no updates to the rulings report.</p> <p>c. Dr. Howard presented the veterinary division report as outlined in the agenda materials. Dr. Scollay noted that the Safety and Welfare Committee has asked, and Ellis Park has agreed, to engage Dr. Mick Peterson to assess Ellis Park's dirt track and turf course. Dr. Scollay then presented the fatalities report as outlined in the agenda materials. Mr. Flanery described how Dr. Peterson has assisted Churchill Downs in evaluating their track over the years.</p> <p>d. Mr. May presented the pari-mutuel wagering division report as outlined in the agenda materials.</p>	No action taken. Informational items only.

<i>AGENDA ITEM</i>	<i>TRANSCRIPT PAGE NUMBER(S)</i>	<i>DISCUSSION / CONCLUSIONS / RECOMMENDATIONS</i>	<i>ACTION TAKEN</i>
	46	e. Litigation and Regulation report is for informational purposes only.	
III. Executive Session	46 – 48 46 – 47	Chairman Kling requested a motion from the Commission to go into executive session to discuss proposed or pending litigation against or on behalf of the agency as permitted by KRS Chapter 61.810(1)(c). Motion by Commissioner Cauthen. Second by Commissioner Jackson.	Chairman Kling called for a vote for the Commission to go into executive session. Motion carried with no objections or abstentions.
	47 – 48	<p style="text-align: center;"><u>EXECUTIVE SESSION</u></p> Chairman Kling requested a motion from the Commission to return to open session. Motion by Commissioner Richardson. Second by Commissioner Bell.	Chairman Kling called for a vote for the Commission to return to open session. Motion carried with no objections or abstentions.
	48	Chairman Kling noted that there was no action to be taken by the Commission as a result of the executive session.	
IV. Adjournment	48	Chairman Kling noted there was no other business and requested a motion to adjourn. Motion by Commissioner Cauthen. Second by Commissioner Northrop. Meeting adjourned.	Chairman Kling called for a vote to adjourn. Motion carried with no objections or abstentions.

NOTE: The Agenda materials and any amendments and/or supplements thereto, subject to any applicable exemptions, and the official Transcript are incorporated by reference as if set forth fully herein.



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: ALL COMMISSION MEMBERS

FROM: Franklin S. Kling, Jr., Chairman, Kentucky Horse Racing Commission

DATE: December 11, 2018

SUBJECT: 2019 MEETING SCHEDULE OF THE KENTUCKY HORSE RACING COMMISSION

Please plan on the following schedule for 2019 meeting dates. This schedule has the Commission convening every-other-month on the third Tuesday, with the exception of December, which will take place on the second Tuesday. The off-months can be accessed for the purposes of special meetings and committee meetings.

Day:	Date:	Time:	Location:	Address:
Tuesday	February 19, 2019	1:30p	Kentucky Horse Park - Central Kentucky Riding for Hope	4185 Walt Robertson Dr, Lexington, KY 40511
Tuesday	April 16, 2019	1:30p	Kentucky Horse Park - Central Kentucky Riding for Hope	4185 Walt Robertson Dr, Lexington, KY 40511
Tuesday	June 18, 2019	1:30p	Kentucky Horse Park - Central Kentucky Riding for Hope	4185 Walt Robertson Dr, Lexington, KY 40511
Tuesday	August 20, 2019	1:30p	Kentucky Horse Park - Central Kentucky Riding for Hope	4185 Walt Robertson Dr, Lexington, KY 40511
Tuesday	October 15, 2019	1:30p	Kentucky Horse Park - Central Kentucky Riding for Hope	4185 Walt Robertson Dr, Lexington, KY 40511
Tuesday	December 10, 2019	1:30p	Kentucky Horse Park - Rolex Hospitality Room	4089 Iron Works Pkwy, Lexington, KY 40511



January 2019

December '18							February '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1						1	2
2	3	4	5	6	7	8	3	4	5	6	7	8	9
9	10	11	12	13	14	15	10	11	12	13	14	15	16
16	17	18	19	20	21	22	17	18	19	20	21	22	23
23	24	25	26	27	28	29	24	25	26	27	28		
30	31												

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	1 Turfway Park <i>New Year's Day</i>	2	3 Turfway Park	4 Turfway Park	5 Turfway Park
6	7 <i>Keeneland All Ages Sale</i>	8 Legislature Convenes <i>Keeneland All Ages Sale</i>	9 Legislative Session <i>Keeneland All Ages Sale</i>	10 Turfway Park Legislative Session <i>Keeneland All Ages Sale</i>	11 Turfway Park Legislative Session	12 Turfway Park
13	14	15 Noon deadline to file amendments with LRC	16	17 Turfway Park	18 Turfway Park	19 Turfway Park
20	21 <i>MLK JR'S Birthday</i>	22	23	24 Turfway Park	25 Turfway Park	26 Turfway Park
27	28	29 <i>OBS Mixed & HORA Sale</i>	30 <i>OBS Mixed & HORA Sale</i>	31 Turfway Park KHBIF deadline to submit semi-annual reports		
		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				

February 2019

January '19							March '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
		1	2	3	4	5						1	2
6	7	8	9	10	11	12	3	4	5	6	7	8	9
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							31						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1 Turfway Park	2 Turfway Park
3	4 FT Winter Mixed Sale	5 Legislature Convenes FT Winter Mixed Sale	6 Legislative Session	7 Turfway Park Legislative Session	8 Turfway Park Legislative Session	9 Turfway Park
10	11 Legislative Session	12 Legislative Session	13 Legislative Session	14 Turfway Park Release of KBIF Awards; Legislative Session	15 Turfway Park KYSS 3 YO deadline; Noon deadline to file amendments with LRC; Legislative Session	16 Turfway Park
17	18	19 KHRC meeting 1:30pm Legislative Session	20 Legislative Session	21 Turfway Park Legislative Session	22 Turfway Park Legislative Session	23 Turfway Park
24	25 Legislative Session	26 Legislative Session	27 Legislative Session	28 Turfway Park Legislative Session		
Approve Churchill Downs Spring Meet Race Officials	Approve Keeneland Spring Meet Race Officials	Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				

March 2019

February '19							April '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1 2		1 2 3 4 5 6					
3	4	5	6	7	8	9	7	8	9	10	11	12	13
10	11	12	13	14	15	16	14	15	16	17	18	19	20
17	18	19	20	21	22	23	21	22	23	24	25	26	27
24	25	26	27	28			28	29	30				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
24	25	26	27	28	1 Turfway Park KHBIF deadline; Legislative Session	2 Turfway Park
3	4 Legislative Session	5 Legislative Session	6 Legislative Session	7 Turfway Park Legislative Session	8 Turfway Park	9 Turfway Park
10	11	12 Legislative Session <i>OBS 2 YO in Training Sale</i>	13 Legislative Session <i>OBS 2 YO in Training Sale</i>	14 Turfway Park	15 Turfway Park KYSS 2 YO & 3 YO deadline; 4Q ('18) ADW reports due; Noon deadline to file amendments with LRC	16 Turfway Park
17	18	19	20	21 Turfway Park	22 Turfway Park	23 Turfway Park
24	25	26	27 <i>FT FL 2 YO in Training Sale</i>	28 Turfway Park Legislative Session	29 Turfway Park Legislative Session	30 Turfway Park
31		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				




April 2019

[illegible]

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1	2	3	4 Keeneland	5 Keeneland	6 Keeneland
7 Keeneland	8	9 Kee 2 YO in training sale	10 Keeneland	11 Keeneland	12 Keeneland	13 Keeneland
14 Keeneland	15 KYSS 2 YO & 3 YO deadline; Noon deadline to file amendments with LRC	16 KHRC Meeting 1:30PM	17 Keeneland	18 Keeneland	19 Keeneland Good Friday	20 Keeneland
21 Easter Sunday	22	23 OBS 2 YO in Training Sale	24 Keeneland OBS 2 YO in Training Sale	25 Keeneland OBS 2 YO in Training Sale	26 Keeneland OBS 2 YO in Training Sale	27 Churchill Downs
28	29	30 Churchill Downs	Approve Ellis Park Race Meet Officials	Approve BG Downs Race Meet Officials		
<div>Thoroughbred Host Track Status</div> <div><div></div> Turfway Park <div></div> Keeneland <div></div> Churchill Downs <div></div> Ellis Park <div></div> Kentucky Downs</div>						






May 2019

April '19							June '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6							1
7	8	9	10	11	12	13	2	3	4	5	6	7	8
14	15	16	17	18	19	20	9	10	11	12	13	14	15
21	22	23	24	25	26	27	16	17	18	19	20	21	22
28	29	30					23	24	25	26	27	28	29
							30						

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1 Churchill Downs	2 Churchill Downs	3 Churchill Downs	4 Churchill Downs
					Kentucky Oaks	Kentucky Derby
5	6	7	8	9 Churchill Downs	10 Churchill Downs	11 Churchill Downs
12 Churchill Downs	13	14	15 KYSS 1 YO & 2 YO deadline; 1Q ADW Reports due; Noon deadline to file amendments with LRC	16 Churchill Downs	17 Churchill Downs	18 Churchill Downs
19 Churchill Downs	20 <i>FT MD 2 YO in Trng Sale</i>	21 <i>FT MD 2 YO in Trng Sale</i>	22	23 Churchill Downs	24 Churchill Downs	25 Churchill Downs
26 Churchill Downs	27 Churchill Downs <i>Memorial Day</i>	28	29	30 Churchill Downs	31 Churchill Downs	
		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				




June 2019

May '19							July '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3	4						
5	6	7	8	9	10	11	7	8	9	10	11	12	13
12	13	14	15	16	17	18	14	15	16	17	18	19	20
19	20	21	22	23	24	25	21	22	23	24	25	26	27
26	27	28	29	30	31		28	29	30	31			

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1 Churchill Downs
2 Churchill Downs	3 KHBIF Deadline	4	5 Churchill Downs (optional) FT CA 2 YO in Training Sale	6 Churchill Downs	7 Churchill Downs	8 Churchill Downs
9 Churchill Downs	10	11	12 Churchill Downs (optional) OBS 2 YO & HORA Sale	13 Churchill Downs OBS 2 YO & HORA Sale	14 Churchill Downs Bluegrass Downs Noon deadline to file amendments with LRC OBS 2 YO & HORA Sale	15 Churchill Downs Bluegrass Downs
16 Churchill Downs Bluegrass Downs	17	18 KHRC Meeting 1:30PM	19 Churchill Downs (optional)	20 Churchill Downs	21 Churchill Downs Bluegrass Downs	22 Churchill Downs Bluegrass Downs
23 Churchill Downs Bluegrass Downs	24	25	26 Churchill Downs (optional)	27 Churchill Downs	28 Churchill Downs Bluegrass Downs	29 Churchill Downs Bluegrass Downs
30 Ellis Park Bluegrass Downs	Approve The Red Mile, Churchill Downs Sept. & Kentucky Downs Race Officials	Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				






July 2019

June '19							August '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1				1	2	3	
2	3	4	5	6	7	8	4	5	6	7	8	9	10
9	10	11	12	13	14	15	11	12	13	14	15	16	17
16	17	18	19	20	21	22	18	19	20	21	22	23	24
23	24	25	26	27	28	29	25	26	27	28	29	30	31
30													

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	1 Appoint Committees	2	3	4 Ellis Park <i>Independence Day</i>	5 Ellis Park Bluegrass Downs	6 Ellis Park Bluegrass Downs
7 Ellis Park Bluegrass Downs	8	9 <i>FT KY Yrlng & HORA Sale</i>	10 <i>FT KY Yearling Sale</i>	11	12 Ellis Park Bluegrass Downs	13 Ellis Park Bluegrass Downs
14 Ellis Park Bluegrass Downs	15 Noon deadline to file amendments with LRC	16	17	18	19 Ellis Park	20 Ellis Park
21 Ellis Park	22	23	24	25 The Red Mile	26 Ellis Park	27 Ellis Park The Red Mile
28 Ellis Park The Red Mile	29	30	31 KHBIF deadline to submit semi-annual reports			
		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				

August 2019

July '19							September '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6	1	2	3	4	5	6	7
7	8	9	10	11	12	13	8	9	10	11	12	13	14
14	15	16	17	18	19	20	15	16	17	18	19	20	21
21	22	23	24	25	26	27	22	23	24	25	26	27	28
28	29	30	31				29	30					

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	31	1 The Red Mile Toalizer license apps due to Commission	2 Ellis Park	3 Ellis Park The Red Mile
4 Ellis Park The Red Mile	5 FT NY Yearling Sale	6 FT NY Yearling Sale	7	8 The Red Mile	9 Ellis Park	10 Ellis Park The Red Mile
11 Ellis Park The Red Mile FT NY Bred Yearling Sale	12 FT NY Bred Yearling Sale	13	14	15 The Red Mile KTBF deadline; 2Q ADW reports due; noon deadline to file amendments with LRC	16 Ellis Park	17 Ellis Park The Red Mile
18 Ellis Park The Red Mile	19	20 KHRC Meeting 1:30pm	21	22 The Red Mile	23 Ellis Park	24 Ellis Park The Red Mile
25 Ellis Park The Red Mile	26	27	28	29 The Red Mile	30 Ellis Park	31 Kentucky Downs The Red Mile
	Approve Keeneland & Churchill Downs Fall Race Meet Officials	Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				






September 2019

August '19							October '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
				1	2	3			1	2	3	4	5
4	5	6	7	8	9	10	6	7	8	9	10	11	12
11	12	13	14	15	16	17	13	14	15	16	17	18	19
18	19	20	21	22	23	24	20	21	22	23	24	25	26
25	26	27	28	29	30	31	27	28	29	30	31		

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Ellis Park The Red Mile	2 Ellis Park Labor Day	3 Report of Unclaimed Tickets Due; ADW license apps due to the Commission	4	5 Kentucky Downs The Red Mile	6	7 Kentucky Downs The Red Mile
8 Kentucky Downs The Red Mile	9 <i>Keeneland Yearling Sale</i>	10 <i>Keeneland Yearling Sale</i>	11 <i>Keeneland Yearling Sale</i>	12 Kentucky Downs The Red Mile <i>Keeneland Yearling Sale</i>	13 Churchill Downs <i>Keeneland Yearling Sale</i>	14 Churchill Downs The Red Mile <i>Keeneland Yearling Sale</i>
15 Churchill Downs The Red Mile <i>Keeneland Yearling Sale</i>	16 noon deadline to file amendments with LRC <i>Keeneland Yearling Sale</i>	17 <i>Keeneland Yearling Sale</i>	18 Churchill Downs <i>(optional)</i> <i>Keeneland Yearling Sale</i>	19 Churchill Downs The Red Mile <i>Keeneland Yearling Sale</i>	20 Churchill Downs <i>Keeneland Yearling Sale</i>	21 Churchill Downs The Red Mile <i>Keeneland Yearling Sale</i>
22 Churchill Downs The Red Mile <i>Keeneland Yearling Sale</i>	23	24	25 Churchill Downs <i>(optional)</i> <i>FT CA Yearling Sale</i>	26 Churchill Downs The Red Mile	27 Churchill Downs The Red Mile	28 Churchill Downs The Red Mile
29 Churchill Downs The Red Mile	30 <i>FT MD Yearling Sale</i>					
		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				






October 2019

September '19							November '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7						1	2
8	9	10	11	12	13	14	3	4	5	6	7	8	9
15	16	17	18	19	20	21	10	11	12	13	14	15	16
22	23	24	25	26	27	28	17	18	19	20	21	22	23
29	30						24	25	26	27	28	29	30

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1 Deadline of Sherriff's office to report posting of uncashed tickets <i>FT MD Yearling Sale</i>	2	3 The Red Mile	4 Keeneland The Red Mile	5 Keeneland The Red Mile
6 Keeneland The Red Mile	7	8 <i>OBS Select Yearling Sale</i>	9 Keeneland <i>OBS Open Yearling Sale</i>	10 Keeneland <i>OBS Open Yearling Sale</i>	11 Keeneland	12 Keeneland
13 Keeneland	14	15 KHRC Meeting 1:30pm Noon dealine to file amendments with LRC <i>FT NY Fall Sale</i>	16 Keeneland	17 Keeneland	18 Keeneland	19 Keeneland
20 Keeneland	21 <i>FT KY Fall Yearling Sale</i>	22 <i>FT KY Fall Yearling Sale</i>	23 Keeneland <i>FT KY Fall Yearling Sale</i>	24 Keeneland <i>FT KY Fall Yearling Sale</i>	25 Keeneland	26 Keeneland
27 Churchill Downs	28	29	30 Churchill Downs	31 Churchill Downs		
Approve Turfway Park Holiday & Winter/Spring Meet Race Officials	Approve Race Dates & Track Applications	Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				

November 2019

October '19							December '19						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
			1	2	3	4	5	1	2	3	4	5	6
6	7	8	9	10	11	12	8	9	10	11	12	13	14
13	14	15	16	17	18	19	15	16	17	18	19	20	21
20	21	22	23	24	25	26	22	23	24	25	26	27	28
27	28	29	30	31			29	30	31				

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1 Churchill Downs Deadline to approve race dates & track apps Breeders Cup (Santa Anita)	2 Churchill Downs Breeders Cup (Santa Anita)
3 Churchill Downs	4 FT KY Select Brdng Stock Sale	5 Keeneland Brdng Stock Sale	6 Churchill Downs Keeneland Brdng Stock Sale	7 Churchill Downs Keeneland Brdng Stock Sale	8 Churchill Downs Keeneland Brdng Stock Sale	9 Churchill Downs Keeneland Brdng Stock Sale
10 Churchill Downs Keeneland Brdng Stock Sale	11 Keeneland Brdng Stock Sale Veteran's Day	12 Keeneland Brdng Stock Sale	13 Churchill Downs Keeneland Brdng Stock Sale	14 Churchill Downs Keeneland Brdng Stock Sale	15 Churchill Downs noon deadline to file amendments with LRC Keeneland Brdng Stock Sale	16 Churchill Downs Keeneland Brdng Stock Sale
17 Churchill Downs	18	19	20 Churchill Downs	21 Churchill Downs	22 Churchill Downs	23 Churchill Downs
24 Churchill Downs	25	26	27 Churchill Downs	28 Churchill Downs Thanksgiving Day	29 Churchill Downs	30 Churchill Downs
		Thoroughbred Host Track Status  Turfway Park  Keeneland  Churchill Downs  Ellis Park  Kentucky Downs				

December 2019

November '19							January '20						
S	M	T	W	T	F	S	S	M	T	W	T	F	S
3	4	5	6	7	8	9	5	6	7	8	9	10	11
10	11	12	13	14	15	16	12	13	14	15	16	17	18
17	18	19	20	21	22	23	19	20	21	22	23	24	25
24	25	26	27	28	29	30	26	27	28	29	30	31	

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1 Churchill Downs	2 ARCI Winter Meetings	3 ARCI Winter Meetings	4 Turfway Park <i>(optional)</i> ARCI Winter Meetings	5 Turfway Park	6 Turfway Park	7 Turfway Park AAEP Annual meeting
8 AAEP Annual Meeting	9 AAEP Annual meeting	10 KHRC Meeting 1:30PM <i>FT MD Mixed & Rcng Age Sale</i> AAEP Annual meeting	11 Turfway Park <i>(optional)</i> AAEP Annual meeting	12 Turfway Park	13 Turfway Park	14 Turfway Park
15	16 Deadline to award KYSS & KY County Fairs Dates/Purses; Deadline to approve ADW license applications; Noon dealine to file amendments with LRC	17	18 Turfway Park <i>(optional)</i>	19 Turfway Park	20 Turfway Park Deadline to approve totalizer license applications	21 Turfway Park
22	23	24 <i>Christmas Eve</i>	25 <i>Christmas Day</i>	26 Turfway Park	27 Turfway Park	28 Turfway Park
29	30	31 Turfway Park Deadline for all 3 BIFs QH & STB dev. Funds; Deadline to pay KyRHWF <i>New Year's Eve</i>	Approve ADW license applications & conditions of licensure	Approve Totalizer license applications	Approve KYSS & County Fair dates & purses	Approve payment to KyRHWF
<div>Thoroughbred Host Track Status</div> <div><div>Turfway Park</div><div>Keeneland</div><div>Churchill Downs</div><div>Ellis Park</div><div>Kentucky Downs</div></div>						



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: ALL COMMISSION MEMBERS

FROM: Jamie H. Eads, Kentucky Horse Racing Commission

DATE: November 20, 2018

SUBJ.: 2019 KENTUCKY SIRE STAKES PURSE DISTRIBUTIONS AND RACE DATES

The Kentucky Standardbred Development Fund/Kentucky Standardbred Breeders' Incentive Fund Advisory Panel met on September 20, 2018 and recommends approval for the following 2019 Kentucky Sire Stakes purse distributions:

Two-year-olds:

Legs: \$30,000
Consolation: \$50,000
Finals: \$250,000

Three-year-olds:

Legs: \$30,000
Consolation: \$50,000
Finals: \$250,000

Two-year-olds race dates:

- 1st Leg:
 - Thursday, August 8: Trotters
 - Saturday, August 10: Pacers
- 2nd Leg
 - Sunday, August 18: Trotters
 - Thursday, August 22: Pacers
- 3rd Leg
 - Saturday, August 31: Trotters
 - Sunday, September 1: Pacers
- Consolation: Saturday, September 14
- Championships: Sunday, September 15

Three-year-olds race dates:

- 1st Leg:
 - Sunday, August 11: Trotters
 - Thursday, August 15: Pacers
- 2nd Leg
 - Saturday, August 24: Trotters
 - Sunday, August 25: Pacers
- 3rd Leg
 - Thursday, September 5: Trotters
 - Saturday, September 7: Pacers
- Consolation: Saturday, September 14
- Championships: Sunday, September 15

The Kentucky Sire Stakes is a culmination of a month-long series of preliminary races, with the biggest money earners getting a chance to compete in the finals at The Red Mile. The series includes two-and-three year-old pacers and trotters for both fillies & colts.

On September 20, the advisory committee discussed harness racing at County Fairs and recommends providing purses in the amount of \$5,000 per division for each Fair and \$15,000 for the Finals.

The following is a brief description of the funds for informational purposes:

Kentucky Standardbred Development Fund (KSDF):

This fund is to promote races and to provide purses for races for Kentucky-bred Standardbred horses. The fund is to be distributed to persons, corporations or associations operating licensed Standardbred race tracks within Kentucky on an equitable basis, for the purposes of conducting separate races for two and three-year-old fillies and colts, both trotting and pacing. The KSDF receives its revenue under the provisions of KRS 138.510, taxes on pari-mutuel wagering.

Kentucky Standardbred Breeders' Incentive Fund (KSBIF):

The Kentucky Standardbred Breeders' Incentive Fund is financed from the 13% of all receipts collected from the sales and use tax on the fees paid for breeding a stallion to a mare in Kentucky, together with any other money contributed, appropriated, or allocated to the fund from all other sources. The money deposited in the KSBIF is used to provide rewards for breeders or owners of Kentucky-bred Standardbred horses.

Approval is recommended.

COMMISSION ACTION

_____	Approved
_____	Deferred
_____	Denied



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://khrc.ky.gov)

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, Kentucky Horse Racing Commission
DATE: November 30, 2018
SUBJECT: KENTUCKY COUNTY FAIRS: RACE DATES, RACE OFFICIALS
AND PAYMENT TO THE KENTUCKY COLT ASSOCIATION
FOR PURSE DISTRIBUTIONS

Please find behind this memorandum a letter requesting approval of the 2019 Kentucky County Fair dates, race officials and payment of the 2018 Standardbred un-cashed ticket money, as requested by the Kentucky Colt Association. Also included are the related statutes and an internal document indicating the collection of un-cashed ticket money from the Kentucky Standardbred racetracks.

The 2019 County Fair race dates are the usual and customary race dates. There will be no pari-mutuel wagering at the Kentucky County Fairs.

The 2019 race officials are the usual and customary race officials for the Kentucky County Fairs.

The Standardbred un-cashed ticket money is annually allocated to the Kentucky Colt Association and the funds are used for harness racing at county fairs in Kentucky and the Fair Finals as stipulated in KRS 230.398 and KRS 230.380 9(a)5. The KHRC confirms \$36,575.01 was collected for 2018 un-cashed tickets to be distributed to the Kentucky Colt Association. This total will decrease pending advertising expenses.

Approval is recommended

COMMISSION ACTION:

_____ Approved

_____ Deferred

_____ Denied



KENTUCKY COLT ASSOCIATION
P.O. BOX 1539
VERSAILLES, KY. 40383
859-619-9384

Kentucky Racing Commission
Attn: Jamie Eads
4063 Iron Works Parkway
Lexington, Ky. 40511
November 30, 2018

To Whom It May Concern:

The Kentucky Colt Association is requesting approval of the dates listed below for the Kentucky Fair Racing for 2019.

Purchase District Fair (Mayfield)	June 6
Ballard County Fair (LaCenter)	June 13
McCracken County Fair (Paducah)	June 24
Marion County Fair (Lebanon)	July 2
Washington County Fair (at Lebanon)	July 12
Woodford County Fair (at Lebanon)	July 19
Mercer County Fair (at Red Mile)	July 26
Fair Finals (at Red Mile)	August 3

Thank you for your consideration.

Sincerely,

Janet Napier, Ex. Sec.
Ky. Colt Association



Eads, Jamie (PPC)

From: napier24@aol.com
Sent: Friday, November 30, 2018 1:12 PM
To: Eads, Jamie (PPC)
Subject: officials

As far as I know right now the following will be the officials for 2019

Starter	Mike Moss
Charter	Charlotte Nettleton
Program Director	Janet Napier
Photo Finish	Jamie Kearns
Clerk of the Course	Janet Napier
Timer	Hugh Nettleton
Judge	Unknown

KENTUCKY COLT ASSOCIATION
P.O. BOX 1539
VERSAILLES, KY. 40383
859-619-9384

Kentucky Racing Commission
Attn: Jamie Eads
4063 Iron Works Parkway
Lexington, Ky. 40511
November 30, 2018

To Whom It May Concern:

The Kentucky Colt Association is requesting the Kentucky Fairs portion of the uncashed pari-mutual tickets in the amount of \$36,575.01 less any claims made from Bluegrass Downs.

Thank you for your consideration.

Sincerely,

Janet Napier, Ex. Sec.
Ky. Colt Association



Unclaimed Parimutuel Tickets for 2018

KY County Fairs
Attn: Janet Napier

Racing Facility	Amount	Amount Claimed	Advertising Paid	Check Received	Total to Fund
Bluegrass Players Downs	\$13,640.64	\$0.00		\$13,640.64	\$13,640.64
The Red Mile	\$23,145.25	\$14.30	\$196.58	\$23,130.95	\$22,934.37
Total	\$36,785.89	\$14.30	\$196.58	\$36,771.59	\$36,575.01

Monies to be turned over to the KY County Fairs pursuant to KRS 230.398 & KRS 230.380

230.398 Funds to be used for purses at harness racing events at county fairs.

All sums reported and paid to the racing commission under the provisions of KRS 230.361 to 230.373 by any licensee conducting a harness race meeting shall be used by it for purses at harness racing events at county fairs within the Commonwealth of Kentucky that have been licensed and approved by it. The racing commission shall have the authority to promulgate administrative regulations as may be necessary for the conduct of these races.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 482, effective July 15, 2010. -- Amended 2004 Ky. Acts ch. 191, sec. 38, effective July 13, 2004. -- Amended 1992 Ky. Acts ch. 109, sec. 31, effective March 30, 1992. -- Created 1980 Ky. Acts ch. 84, sec. 14, effective July 15, 1980.

230.380 Simulcast facilities -- Restrictions and prohibitions -- Tax implications -- Percentage of wagers to local economic development -- Commissions -- Report on money expended.

- (1) Any track licensed by the racing commission to conduct horse racing and desiring to establish a simulcast facility shall apply for and may receive approval from the racing commission for each simulcast facility. Prior to considering an application for approval of a simulcast facility, the racing commission shall notify by regular mail, each state senator, state representative, county judge/executive, and mayor in the jurisdiction in which the proposed simulcast facility is located, at least ten (10) days in advance of the racing commission meeting at which the application is to be considered or voted upon. Consideration of an application shall be based on criteria contained in administrative regulations promulgated under KRS 230.300. Approval, if granted, shall be granted for a term of one (1) calendar year.
- (2) A track or tracks may proceed with the establishment of a simulcast facility unless, within sixty (60) days of the date on which the racing commission approved the facility, the governing body of the local government jurisdiction in which the facility is to be located votes, by simple majority of those voting, to disapprove the establishment of the simulcast facility. For the purposes of this section, "governing body" means, in an incorporated area, the board of aldermen, city council or board of commissioners; in a county, the fiscal court; in an urban-county government, the urban-county council, or in a charter county, the legislative body created in accordance with KRS 67.825 to 67.875.
- (3) The racing commission shall not approve the establishment of any simulcast facility within a radius of fifty (50) miles of a licensed track. The racing commission may approve the establishment of one (1) simulcast facility within a radius of greater than fifty (50) miles but less than seventy-five (75) miles of a licensed track, but the facility shall not be approved to operate without the prior written consent of the licensed track within whose seventy-five (75) mile radius the facility is located.
- (4) The racing commission may promulgate administrative regulations as it deems appropriate to protect the integrity of pari-mutuel wagering at any simulcast facility.
- (5) Licensed tracks conducting horse racing may enter into joint agreements to establish or operate one (1) or more simulcast facilities, on terms and conditions as the participating tracks may determine. Any agreements respecting these arrangements shall be filed with the racing commission, and applications for simulcast facilities shall be filed by and licenses may be issued to, these licensed tracks by the racing commission.
- (6) A simulcast facility may be established and operated on property that is owned or leased and which is not used solely for the operation of a simulcast facility; provided however, that a simulcast facility may not be established on the premises of a lottery vendor.
- (7) A simulcast facility shall not be subject to and shall not pay any excise tax imposed pursuant to KRS 138.510, any license tax imposed under KRS 137.170, or any admission tax imposed under KRS 138.480.

- (8) One percent (1%) of all moneys wagered at a simulcast facility shall be dedicated for local economic development and shall be allocated as follows:
- (a) If a simulcast facility is located in an incorporated area, seventy-five percent (75%) shall be allocated to the governing body of the city in which the facility is located, and twenty-five percent (25%) to the governing body of the county in which the facility is located.
 - (b) If a simulcast facility is located in an unincorporated area, all moneys shall be allocated to the governing body of the county or charter county in which the facility is located.
- (9) (a) After the deduction of moneys under subsection (8), simulcast facility shall deduct a commission allowed under KRS 230.3615 with respect to all wagers made at the simulcast facility. The commission, less moneys allocated in subsection (8) of this section, shall be split as follows:
- 1. Thirty percent (30%) shall be allocated to the host track;
 - 2. Forty-six and one-half percent (46.5%) to the purse program at the host track;
 - 3. Thirteen and one-half percent (13.5%) to be retained by the track or tracks owning the simulcast facility for the purpose of application to expenses incurred in connection therewith;
 - 4. Six percent (6%) to be allocated to the Kentucky Thoroughbred Owners and Breeders, Inc., to be expended as follows:
 - a. Up to three percent (3%) for capital improvements and promotion of off-track betting; and
 - b. The remainder for marketing and promoting the Kentucky Thoroughbred industry; and
 - 5. Four percent (4%) to be allocated to the racing commission to be used for purses at county fairs in Kentucky licensed and approved by the racing commission, and for the standardbred sires stakes program established under KRS 230.770.
- (b) The commission of a simulcast facility derived from interstate wagering shall be reduced by any amounts required to be paid by contract to the host track or track conducting the live race before it is divided as set forth in this section. No simulcast facility may receive any interstate simulcast except with the approval of the live Kentucky host track.
- (c) The Kentucky Thoroughbred Owners and Breeders, Inc., shall annually report to the racing commission on all money expended in accordance with subsection (9)(a)4. of this section. The report shall be in the form required, and provide all information required by the racing commission.
- (10) Subsections (1) and (2) of this section shall also apply to the establishment by a track of a noncontiguous facility in a county in which pari-mutuel racing and wagering is not being conducted. Subsection (8) of this section shall also apply to a noncontiguous race track facility referenced in this subsection, unless there is a written agreement to the contrary between the track establishing the facility and the

governing body of the local government jurisdiction in which the facility is to be established.

Effective: July 15, 2010

History: Amended 2010 Ky. Acts ch. 24, sec. 481, effective July 15, 2010. -- Amended 2004 Ky. Acts ch. 191, sec. 37, effective July 13, 2004. -- Amended 2000 Ky. Acts ch. 447, sec. 1, effective July 14, 2000. -- Amended 1998 Ky. Acts ch. 237, sec. 1, effective July 15, 1998. -- Created 1992 Ky. Acts ch. 109, sec. 2, effective March 30, 1992.

Legislative Research Commission Note (7/15/98). Under KRS 7.136(1)(e), a reference to the former KRS 138.515 in subsection (9)(a) of this statute has been changed to KRS 230.3615 because of 1992 Ky. Acts ch. 109, sec. 8.



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://khrc.ky.gov)

TO: ALL COMMISSION MEMBERS
FROM: Jamie H. Eads, KHRC
DATE: November 30, 2018
SUBJECT: KENTUCKY RACING HEALTH AND WELFARE FUND

The Kentucky Horse Racing Commission has received the attached request from Richard Riedel seeking transfer of funds from the unclaimed pari-mutuel tickets to the Kentucky Racing Health and Welfare Fund. This total amount is \$1,934,121.71.

The below documents follow this memorandum:

- Letter from Richard Riedel seeking transfer of funds;
- Chart reflecting dollars due the fund;
- Approval of the release of funds from the Kentucky State Auditor;
- Copy of the Kentucky Racing Health and Welfare Fund audit report for 2017 prepared by Monroe Shine.

Pursuant, to KRS 230.362, any reported pari-mutuel ticket that has not been claimed within one (1) year from the time the ticket became payable is presumed to be abandoned. Each year, any person or association holding any unclaimed tickets presumed abandoned as of July 1st of that year (in other words, any person holding on July 1st any tickets that have not, as of that date, been claimed for a year or more) is required to create a list of the tickets. The list, which records the amount of each ticket, is then submitted to the Commission by September 1st of the same year. Between November 1st and November 15th, the person or association then turns over to the Commission the sum represented by the tickets as reported.

The tickets turned over to the Kentucky Racing Health and Welfare Fund are over a year old. Specifically, these are tickets that were originally sold to bettors between July 1, 2016, and June



30, 2017, and were still unclaimed a year (or more) later on July 1, 2018. Below is a copy of the statute regarding payments to the Kentucky Racing Health and Welfare Fund, Inc.

230.374 Payments to Kentucky Racing Health and Welfare Fund, Inc.

All sums reported and paid to the authority under the provisions of KRS 230.361 to 230.373, with the exception of funds paid under KRS 230.398, shall be paid by the authority to the Kentucky Racing Health and Welfare Fund, Inc., a nonprofit charitable corporation, organized for the benefit, aid, assistance, and relief of thoroughbred owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks, and other thoroughbred racing personnel employed in connection with racing, and their spouses and children, who can demonstrate their need for financial assistance connected with death, illness, or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, Social Security, public welfare, or any type of health, medical, death, or accident insurance. These sums shall be paid on or before December 31 in each year, however, no payments shall be made by the authority to the Kentucky Racing Health and Welfare Fund, Inc., unless the authority and the Auditor of Public Accounts are satisfied that the fund is in all respects being operated for the charitable and benevolent purposes as set forth in this section and that no part of the funds paid to the fund by the authority or any net earnings of the fund inure to the benefit of any private individual, director, officer, or member of the fund or any of the persons who turned over sums to the authority representing unclaimed pari-mutuel tickets.

The following is a brief description of the fund for informational purposes.

Kentucky Racing Health and Welfare Fund. The Kentucky Racing Health and Welfare Fund, Inc. is an independent charitable corporation, organized for the benefit, aid, assistance and relief of thoroughbred owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks and other thoroughbred racing personnel employed in connection with racing, and their spouses and children, who can demonstrate their need for financial assistance connected with death, illness or off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, Social Security, public welfare or any type of health, medical, death or accident insurance. Proceeds from unclaimed pari-mutuel tickets provide the revenue for this fund.

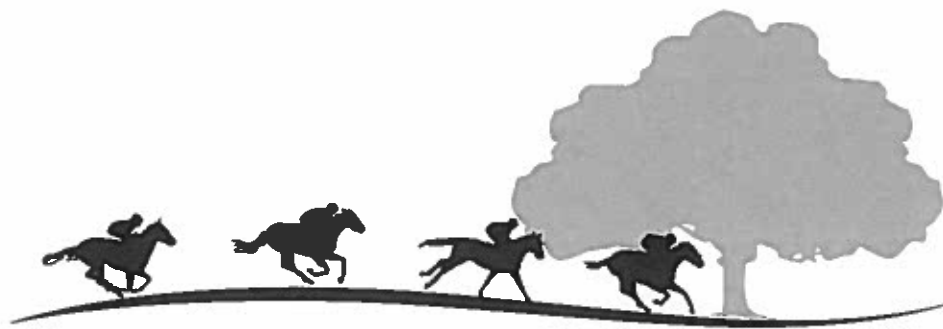
COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred





Kentucky Racing Health & Welfare Fund

RICHARD P. RIEDEL • Executive Director
KAREN PEHLKE • Director of Operations
422 Heywood Avenue
Louisville, KY 40208
(502) 636-2900
Fax (502) 636-2955

November 6, 2018

Kentucky Horse Racing Commission
Attn: Jamie Eads, Director, Division of Breeders' Incentives
4063 Iron Works Pike, Building B
Lexington, KY 40511

Dear Jamie:

Please place our request for the transfer of funds due to the Kentucky Racing Health and Welfare Fund on December 31, 2018 on the agenda of the next Commission meeting.

Earlier this year we submitted to the Commission our 2017 audit report and a final approval from the Kentucky State Auditor indicating that the Auditor's staff is satisfied that the Kentucky Racing Health and Welfare Fund is, in all respects, being operated for the charitable and benevolent purposes as provided in KRS 230.374.

As always, if there is any additional information you need please contact me.

I sincerely appreciate your assistance in this matter.

Yours truly,

Richard P. Riedel
Executive Director



Unclaimed Parimutuel Tickets for 2018

Kentucky Racing Health & Welfare Fund
Attn: Richard Riedel
422 Heywood Ave
Louisville, KY 40208-1324

Racing Facility	Amount	Amount Claimed	Advertising Paid	Check Received	Total to Fund
Churchill Downs	\$968,187.27	\$2,932.50	\$561.20	\$965,254.77	\$964,693.57
Ellis Park	\$153,236.34	\$0.00	\$50.74	\$153,236.34	\$153,185.60
Keeneland	\$563,230.37	\$1,083.60	\$196.56	\$562,146.77	\$561,950.21
Kentucky Downs	\$110,546.32	\$19,303.15	\$324.00	\$91,243.17	\$90,919.17
Turfway Park	\$163,413.20	\$0.00	\$40.04	\$163,413.20	\$163,373.16

Total	\$1,958,613.50				\$1,934,121.71
--------------	-----------------------	--	--	--	-----------------------

Monies to be turned over to the KY Racing Health & Welfare Fund pursuant to KRS 230.374



MIKE HARMON
AUDITOR OF PUBLIC ACCOUNTS

August 15, 2018

Richard P. Riedel
Executive Director
Kentucky Racing Health and Welfare Fund, Inc.
422 Heywood Avenue
Louisville, KY 40208

RE: KRS 230.374 – Transfer of Funds to the Kentucky Racing Health and Welfare Fund, Inc.

Dear Mr. Riedel:

We have received your correspondence to our Chief of Staff, Sara Beth Gregory, dated July 31, 2018 requesting a letter stating that our office is satisfied that the Kentucky Racing Health and Welfare Fund, Inc. (Fund) is being operated for charitable and benevolent purposes as provided in KRS 230.374.

We have reviewed the FY17 Fund financial statement audit report performed by Monroe Shine, which you provided to us, as well as a copy of the Fund's 2018 budget as approved April 18, 2018 and amended July 24, 2018.

Based on our review of the documents provided, our office is satisfied that the 2018 anticipated expenditures of the Fund are for charitable and benevolent purposes, as required by KRS 230.374, or for reasonable administrative purposes.

We were not engaged to, and did not conduct an audit, the objective of which would be the expression of an opinion on the financial statements or the budget. Accordingly, we do not express such an opinion. Had we performed an audit or further review, other matters might have come to our attention which would have been reported to you.

Thank you and God Bless,

Mike Harmon
Auditor of Public Accounts

CC: Alice Wilson, Assistant State Auditor
Sara Beth Gregory, APA Chief of Staff



**KENTUCKY RACING HEALTH AND
WELFARE FUND, INC. -
LOUISVILLE, KENTUCKY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

**FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016**

RECEIVED

SEP 25 2018

**KENTUCKY HORSE
RACING COMMISSION**

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.

CONTENTS

	Page
Independent Auditor's Report	3
STATEMENTS OF NET ASSETS – MODIFIED CASH BASIS	4
STATEMENTS OF REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS – MODIFIED CASH BASIS	5
NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS.....	6-11
Independent Auditor's Report on Supplementary Information.....	12
ADMINISTRATIVE EXPENSES	13
RETIREMENT PLAN	14



500 NORTH HURSTBOURNE PARKWAY, SUITE 150, LOUISVILLE, KENTUCKY 40222 • PHONE: 502.423.0311 • FAX: 502.339.7103

Independent Auditor's Report

Board of Directors
Kentucky Racing Health and Welfare Fund, Inc.
Louisville, Kentucky

We have audited the accompanying financial statements of the **Kentucky Racing Health and Welfare Fund, Inc.**, which comprise the statements of net assets – modified cash basis as of December 31, 2017 and 2016, and the related statements of revenues, expenses, and other changes in net assets – modified cash basis for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the **Kentucky Racing Health and Welfare Fund, Inc.** as of December 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements were prepared on a modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion was not modified with respect to that matter.

Monroe Shine

Louisville, Kentucky
July 2, 2018

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
STATEMENTS OF NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2017 AND 2016

ASSETS

	<u>2017</u>	<u>2016</u>
CURRENT ASSETS		
Cash and cash equivalents:		
Checking and petty cash	\$ 87,561	\$ 166,368
PNC operating cash	3,052,729	2,919,297
PNC operating reserve cash	45,607	860,290
Total cash and equivalents	<u>3,185,897</u>	<u>3,945,955</u>
Marketable securities	5,457,289	4,228,445
Total Current Assets	<u>8,643,186</u>	<u>8,174,400</u>
OTHER ASSETS		
Notes receivable and advances	1,894,051	1,894,051
Land	126,435	126,435
Total Other Assets	<u>2,020,486</u>	<u>2,020,486</u>
Total Assets	<u>10,663,672</u>	<u>10,194,886</u>

NET ASSETS

Unrestricted	10,651,338	10,179,361
Temporarily restricted	12,334	15,525
Total Net Assets	<u>10,663,672</u>	<u>10,194,886</u>
Total Liabilities and Net Assets	<u>\$ 10,663,672</u>	<u>\$ 10,194,886</u>

See notes to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
STATEMENTS OF REVENUES, EXPENSES, AND OTHER CHANGES
IN NET ASSETS - MODIFIED CASH BASIS
DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
REVENUE		
KRS 230.374 grant	\$ 2,225,197	\$ 2,030,904
Bereavement and disability grant	-	5,000
Public contributions	800	-
Interest and dividend income	162,081	134,300
Gain on sale of marketable securities	35,346	133,193
Net unrealized gain (loss) on marketable securities	244,845	(5,440)
KRHSC Co-Pay	6,900	6,061
Sublease rental income	3,900	3,900
Record retrieval	10	10
Total Revenue	<u>2,679,079</u>	<u>2,307,928</u>
EXPENSES		
Claims paid:		
Hospitals - approved gross billings	366,869	421,221
Negotiated credit	(298,576)	(339,076)
Doctors - approved gross billings	431,099	457,425
Negotiated credit	(189,015)	(147,209)
Dentists	239,979	172,326
Orthodontia	4,620	3,700
Vision	26,430	11,208
Prescription	106,168	138,706
Periodontia	10,019	5,523
Chiropractors	11,542	8,737
Ambulance and transportation	1,086	993
Financial aid	16,467	11,401
Funeral expenses	44,456	18,643
Hearing aids	16,000	7,000
Mental health	2,976	4,777
Acupuncture	1,925	760
Diagnostic Center	55,808	54,053
Drug and alcohol counseling	-	105
Health fair marketing	2,645	952
Work boots for diabetics	-	1,000
Kentucky Racing Health Services Center - Louisville	248,895	236,466
Horsemen's Wellness Center - Turfway Park	14,259	15,480
Bereavement and disability expense	3,191	5,797
Administrative	565,153	543,332
Vacant lot maintenance	958	900
PNC investment management fee	19,560	14,401
Kentucky Race Track Retirement Plan	507,779	257,742
Total Expenses	<u>2,210,293</u>	<u>1,906,363</u>
Increase in Net Assets	468,786	401,565
Net Assets, Beginning of Year	<u>10,194,886</u>	<u>9,793,321</u>
Net Assets, End of Year	<u>\$ 10,663,672</u>	<u>\$ 10,194,886</u>
Designated operating reserve account	\$ 5,502,896	\$ 5,088,735
Restricted bereavement and disability	12,334	15,525
All other assets	5,148,442	5,090,626
Net Assets, End of Year	<u>\$ 10,663,672</u>	<u>\$ 10,194,886</u>

See notes to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS
DECEMBER 31, 2017 AND 2016

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Kentucky Racing Health and Welfare Fund, Inc., (Fund) a non-profit charitable corporation, was formed in 1978 pursuant to KRS 230.374.

The Fund is organized for the benefit, aid, assistance and relief of owners, trainers, jockeys, valets, exercise riders, grooms, stable attendants, pari-mutuel clerks and other racing personnel employed in connection with thoroughbred racing and their spouses and children who demonstrate need for financial assistance connected with death, illness, off-the-job injury and are not otherwise covered by union health and welfare plans, workers' compensation, social security, public welfare or any type of health, medical, death or accident insurance.

Pursuant to KRS 230.374 the Fund receives an annual grant which represents uncashed thoroughbred pari-mutuel tickets. No payment is made to the Fund unless the Kentucky Horse Racing Commission and the Kentucky Auditor of Public Accounts are satisfied the Fund is, in all respects, operated for the charitable and benevolent purposes set forth in KRS 230.374 and 230.375 and no part of the grant paid to the Fund or any net earnings of the Fund inure to the benefit of any individual, director, officer, member of the Fund, or persons who turned over sums to the Commission representing unclaimed pari-mutuel tickets. These payments are restricted by law and are only available for use as set forth in KRS 230.374 and 230.375.

The Fund sponsors the Kentucky Race Track Retirement Plan. The Plan, with discretionary contributions, was established pursuant to KRS 230.375 and is administered for the benefit of eligible participants.

Basis of Presentation

These financial statements are presented on the modified cash basis of accounting, another comprehensive basis of accounting. The modified cash basis of accounting incorporates elements of both the cash basis of accounting and generally accepted accounting principles (GAAP). Consequently, revenues are recognized when received and certain expenses and purchases of assets are recognized when cash is disbursed. Depreciation of property and equipment is reported in the financial statements.

The primary difference between the Fund's modified cash basis of accounting and GAAP relates to the recognition of liability for claims incurred in one year and paid in the next. GAAP would recognize the liability and expense when incurred whereas the modified cash basis recognizes the expense when paid. Management has concluded determining the amount of these claims and the associated expense is an undue administrative burden, speculative and would provide minimal additional financial information.

Management has concluded the modified cash basis of accounting provides an accurate reflection of the Fund's economic activity and operations, accommodates the preparation of operating budgets, internal and external financial statements and facilitates the comparison of budgets to financial statements.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2017 AND 2016

(1 – continued)

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board which requires the Fund to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Fund does not have permanently restricted net assets.

Certain prior year accounts have been reclassified to conform with current year presentations.

Cash and Cash Equivalents

The Fund considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid debt instruments purchased with a maturity date of three months or less to be cash and cash equivalents in the financial statements.

Investments

Investments in marketable securities with readily determinable fair values are measured at fair market value in the statement of net assets. The unrealized gains or losses on investments are included in the change in net assets. Gains and losses on the marketable securities are determined based upon the specific securities sold.

Mortgage Notes Receivable

Mortgage notes receivable are carried at their estimated collectable amounts. Interest income on mortgage notes receivable is recognized using the cash method. Interest income on impaired loans is recognized as cash is collected or on a cost-recovery basis. Provisions for losses on mortgage notes receivable are determined on the basis of loss experience, known and inherent risks, the estimated value of underlying collateral, and current economic conditions.

Concentration of Credit Risk

The Fund maintains its cash at financial institutions and at times the balances may be in excess of federally insured limits. At December 31, 2017, the Fund had no uninsured amounts.

Use of Estimates

The Fund uses estimates and assumptions in preparing these financial statements in accordance with its modified cash basis of accounting. These estimates and assumptions affect the reported amounts of assets and the reported expenses, primarily the capitalization and depreciation of long-lived assets. Actual results could vary from the estimates that were used.

Income Taxes

The Fund is exempt from federal and state income taxes under Section 501(c) (3) of the Internal Revenue Code. Accordingly, the financial statements do not provide for income taxes.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2017 AND 2016

(1 – continued)

The Fund has implemented the accounting guidance for uncertainty in income taxes. Under that guidance, tax positions need to be recognized in the financial statements when it is more-likely-than-not the position will be sustained upon examination by the tax authorities. As of December 31, 2017, the Fund has no uncertain tax positions that qualify for either recognition or disclosure in the financial statements. The Fund files a federal Form 990. 990's filed for tax years ended on or after December 31, 2014 are subject to examination. The Fund is not currently being examined and management believes its tax-exempt status would be upheld under examination.

(2) INVESTMENT IN MARKETABLE SECURITIES

The following is a summary of the Fund's investment in a designated reserve account as of December 31, 2017 and 2016:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
December 31, 2017:				
Mutual funds – fixed income	\$ 3,185,937	\$ 19,588	\$ 12,195	\$ 3,193,330
Mutual funds – equity	566,706	86,671	-	653,377
Exchange traded funds – fixed income	506,082	6,251	-	512,333
Exchange traded funds – equity	940,042	170,022	11,815	1,098,249
	<u>\$ 5,198,767</u>	<u>\$ 282,532</u>	<u>\$ 24,010</u>	<u>\$ 5,457,289</u>
December 31, 2016:				
Mutual funds – fixed income	\$ 3,115,176	\$ -	\$ 59,588	\$ 3,055,588
Mutual funds – equity	512,543	45,215	7,401	550,357
Exchange traded funds – fixed income	215,578	1,029	-	216,607
Exchange traded funds – equity	371,471	52,093	17,671	405,893
	<u>\$ 4,214,768</u>	<u>\$ 98,337</u>	<u>\$ 84,660</u>	<u>\$ 4,228,445</u>

The Fund holds the above securities, invested in a designated operating reserve account, to ensure its ability to continue operations as set forth in KRS 230.374 and 230.375. In recent years, the Fund's annual budgeted expenditures have exceeded the grants received from uncashed pari-mutuel tickets. The Fund's board of directors and management consider this operating reserve and the related income generated, necessary to continue the operations of the Fund. The operating reserve investment helps management continue to provide health and welfare benefits despite the uncertainty about the amounts and timing of the grants received and benefits provided.

(3) FAIR VALUE MEASUREMENTS

The Fund adopted the provisions of ASC 820 *Fair Value Measurements*, for financial assets and financial liabilities. The Fund has no nonfinancial assets and nonfinancial liabilities determined at fair value.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2017 AND 2016

(3 – continued)

ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- Level 1: Inputs to the valuation methodology are quoted prices, unadjusted for identical assets or liabilities in active markets. A quoted market price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.
- Level 2: Inputs to the valuation methodology include quoted market prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted market prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A description of the valuation methodology used for instruments measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below. The table below presents the balance of the assets measured at fair value on a recurring basis as of December 31, 2017 and 2016.

	Carrying Value			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
December 31, 2017:				
<i>Assets Measured on a Recurring Basis</i>				
Marketable Securities				
Mutual funds – fixed income	\$3,193,330	\$ -	\$ -	\$3,193,330
Mutual funds – equity	653,377	-	-	653,377
Exchange traded funds –				
fixed income	512,333	-	-	512,333
Exchange traded funds – equity	1,098,249	-	-	1,098,249
December 31, 2016:				
<i>Assets Measured on a Recurring Basis</i>				
Marketable Securities				
Mutual funds – fixed income	\$3,055,588	\$ -	\$ -	\$3,055,588
Mutual funds – equity	550,357	-	-	550,357
Exchange traded funds –				
fixed income	216,607	-	-	216,607
Exchange traded funds – equity	405,893	-	-	405,893

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2017 AND 2016

(3 – continued)

Marketable securities. Marketable securities are reported at fair value on a recurring basis. These securities are classified as Level 1 of the valuation hierarchy where quoted market prices from reputable third-party brokers are available in an active market. If quoted market prices are not available, the Fund obtains fair value measurements from independent pricing services. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While management believes the Company's valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

(4) **RELATED PARTY MORTGAGE NOTES AND ADVANCES**

The Fund advanced cash to The Old School, LLC and Back Track, Inc. These entities are related parties with members common to both boards of directors. The advances were for operations, the purchase and renovation of a building, and payment of professional fees. At December 31, 2017 and 2016, unpaid advances amounted to \$1,889,546 to The Old School, LLC. At December 31, 2017 and 2016, unpaid advances amounted to \$4,505 to Back Track, Inc.

The Fund has non-interest bearing mortgage notes receivable from The Old School, LLC at December 31, 2017 and 2016 as follows:

	<u>2017</u>	<u>2016</u>
Non-interest bearing note to the Fund, due		
August 8, 2019, secured by a 2 nd real estate mortgage	\$ 1,218,931	\$ 1,218,931
Non-interest bearing note to the Fund, due		
May 1, 2021, secured by a 3 rd real estate mortgage	285,538	285,538
Non-interest bearing note to the Fund, due		
May 1, 2021, secured by a 4 th real estate mortgage	173,429	173,429
Non-interest bearing note to the Fund, due		
May 1, 2021, unsecured	<u>211,648</u>	<u>211,648</u>
Total mortgage notes receivable	<u>\$ 1,889,546</u>	<u>\$ 1,889,546</u>

(5) **OPERATING LEASE AND SUBLEASE**

The Fund leases office space from The Old School, LLC. The initial term of the lease expired January 1, 2008 but has renewed automatically nine times for one year terms. The Fund has one additional one year renewal option.

Rent paid under the lease amounted to \$5,976 per month during the years ended December 31, 2017 and 2016. The lease agreement also contains a provision which requires the Fund to reimburse The Old School, LLC for its share of certain expenses. Total rent expense for the years ended December 31, 2017 and 2016 was \$71,710. For the years ended December 31, 2017 and 2016, \$35,855 was allocated to the Kentucky Racing Health Services Center and \$35,855 was reported as an administrative cost.

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
NOTES TO FINANCIAL STATEMENTS - MODIFIED CASH BASIS - CONTINUED
DECEMBER 31, 2017 AND 2016

(5 – continued)

The Fund uses a portion of the leased space for its offices and subleases the remaining space. The Fund leased a portion of its space to a tenant during the years ended December 31, 2017 and 2016 for \$325 per month. The lease expires March 31, 2019. Total rent received under this sublease for the years ended December 31, 2017 and 2016 was \$3,900.

(6) KENTUCKY RACE TRACK RETIREMENT PLAN

The Kentucky Race Track Retirement Plan is funded with discretionary contributions from the Fund. Contributions to the Plan were \$500,000 and \$250,000 for the years ended December 31, 2017 and 2016, respectively. The Fund also paid related administration expenses for the Plan of \$7,779 and \$7,742 for the years ended December 31, 2017 and 2016, respectively.

(7) EMPLOYEE RETIREMENT PLAN

The Fund has a simplified employee retirement plan for all full time employees with over three years of service. The Fund's contribution equals 8% of the participant's compensation. The Fund's contributions to the plan amounted to \$18,631 and \$18,531 for the years ended December 31, 2017 and 2016, respectively.

(8) DEVELOPER FEE RECEIVABLE

In 2002, the Fund entered into a development agreement with The Old School, LLC to supervise the rehabilitation of the building owned by The Old School, LLC. The development agreement required The Old School, LLC to pay the Fund a development fee in the amount of \$743,681. The remaining unpaid balance of \$320,252 is evidenced by an unsecured note payable to the Fund. This note carries an interest rate of 6.0% and is due May 1, 2021 with interest.

(9) SUBSEQUENT EVENTS

The Fund has evaluated whether any subsequent events that require recognition or disclosure in the accompanying financial statements and related notes thereto have taken place through July 2, 2018, the date these financial statements were available to be issued. The Fund has determined that there are no such subsequent events.



500 NORTH HURSTBOURNE PARKWAY, SUITE 150, LOUISVILLE, KENTUCKY 40222 • PHONE: 502.423.0311 • FAX: 502.339.7103

Independent Auditor's Report on Supplementary Information

Board of Directors
Kentucky Racing Health and Welfare Fund, Inc.
Louisville, Kentucky

We have audited the financial statements of **Kentucky Racing Health and Welfare Fund, Inc.** for the years ended December 31, 2017 and 2016, and our report thereon dated July 2, 2018, which expressed an unqualified opinion on those financial statements, appears on page three. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in pages 13 and 14 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with audit standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Monroe Shine
Louisville, Kentucky
July 2, 2018

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
ADMINISTRATIVE EXPENSES
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
Salaries	\$ 281,381	\$ 275,884
Payroll taxes	21,814	21,202
Contract labor	-	200
Employee retirement plan	18,631	18,531
Health insurance	79,638	78,209
Travel	4,128	4,356
Meetings	294	427
Accounting	2,950	2,865
Audit	11,450	11,105
Legal	47,076	40,053
Investment advisor	2,931	-
General insurance	17,273	17,067
Kentucky thoroughbred racing record	204	415
Telephone	11,023	10,125
Postage	2,887	1,705
Office supplies	4,676	3,189
Computer and office equipment	260	2,016
Printing and publications	3,718	4,530
Service contracts	5,013	2,609
Continuing education	517	1,190
Office cleaning and storage	2,754	2,800
Miscellaneous	3,132	1,480
Rent	35,855	35,855
Utilities	5,234	5,398
Website hosting & publishing	639	329
Payroll processing	1,675	1,792
	<hr/>	<hr/>
Total Administrative Expenses	\$ 565,153	\$ 543,332
	<hr/>	<hr/>

KENTUCKY RACING HEALTH AND WELFARE FUND, INC.
RETIREMENT PLAN
YEARS ENDED DECEMBER 31, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
RETIREMENT PLAN		
Retirement plan contributions	\$ 500,000	\$ 250,000
Professional fees	5,500	5,200
Office supplies	778	608
Printing and publications	518	917
Travel expense	983	1,017
	<hr/>	<hr/>
Total Retirement Plan	\$ 507,779	\$ 257,742
	<hr/>	<hr/>



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission
From: Steve May, Director of Pari-Mutuel Wagering and Compliance
Date: November 30, 2018
Re: 2019 Conditions of Licensure for Advance Deposit Wagering

As per KRS 230.215, the Kentucky Horse Racing Commission ("KHRC") has been granted the authority to prescribe conditions to oversee licensure of Advance Deposit Wagering ("ADW") operations in the Commonwealth. Attached are the recommended 2019 Conditions of Licensure for Advance Deposit Wagering.

Among the changes from the 2018 Amended Conditions are the following:

- Updated requirements for filing weekly and quarterly wagering handle and tax documents with the KHRC.
- Updated requirements for filing documentation pertaining to surety bond thresholds with the KHRC.

KHRC staff recommends approval of these conditions for 2019.

COMMISSION ACTION

_____ **Approved**

_____ **Denied**

_____ **Deferred**



Conditions of Advance Deposit Account Wagering

Licensing for 2019

Kentucky Horse Racing Commission

The operator, as a condition of licensure to conduct advanced deposit account wagering during the year 2019, agrees and hereby certifies that it shall comply with the following conditions and acknowledges that the Kentucky Horse Racing Commission ("KHRC") may enforce these conditions pursuant to KRS Chapter 230 and the regulations promulgated pursuant thereto. The operator acknowledges that the KHRC has the authority pursuant to KRS 230.320 assess fines and other penalties and may revoke approval to conduct advanced deposit account wagering.

- 1) The licensee shall notify the KHRC of any communication, report, or investigation conducted or to be conducted by the Thoroughbred Racing Association ("TRA"), Thoroughbred Racing Protective Bureau ("TRPB"), United States Trotting Association ("USTA"), American Quarter Horse Association ("AQHA"), Arabian Jockey Club ("AJC"), National Thoroughbred Racing Association ("NTRA") or any state or federal regulatory agency that relates to the safety, integrity, or security of the licensee, and its participants, or that would reasonably be deemed to affect public confidence in the licensee. The licensee shall further send a copy of any such communication, correspondence, or report to the KHRC within 24 hours of receipt by the licensee. This section shall not be construed to include information delivered to licensee officials acting in the capacity of members of the board of directors of the above referenced associations.
- 2) The licensee shall notify the KHRC within 24 hours of becoming aware of any suspected or confirmed breach of security of data, including intrusions into the personal information of account holders, as provided in Section (4) of these Conditions.
- 3) The licensee shall notify the KHRC within 24 hours of becoming aware of a wagering anomaly, as provided in Section (4) of these Conditions. The licensee shall provide transactional data to the KHRC upon request. Wagering anomalies include any incident that might reasonably affect the public's confidence in the wagering pools, such as:
 - a. Account wagering fraud;
 - b. Suspected manipulation through computerized robotic wagering;
 - c. Odds manipulation
 - d. Quick pick or random pick malfunction;
 - e. Cancellation of large wagers, especially within 2 minutes of the closing of a wagering pool;
 - f. Suspicious wagering patterns; and
 - g. Totalizator or data communications malfunctions.

The list of wagering anomalies above is meant to be illustrative and not exclusive.

Proposed 2019 Advance Deposit Wagering
Conditions of Licensure
Original Presented to the KHRC on December 11, 2018

- 4) All notices required to be given to the KHRC pursuant to Sections 1-3 of these conditions of licensure shall be provided to the Executive Director or the Director of Pari-Mutuel Wagering and Compliance immediately after the event triggering the notice requirement by a phone call. In addition, written notice of the event shall be submitted to the Executive Director and the Director of Pari-Mutuel Wagering and Compliance no later than 24 hours after the event triggering the notice requirement. Written notice may be made by hand delivery, electronic mail, or facsimile. All notices other than those in Sections 1-3 shall be provided to the Director of Pari-Mutuel Wagering and Compliance within five (5) business days of the event unless specifically instructed in these Conditions.
- 5) The licensee shall synchronize its timing systems with the U.S. Naval Observatory Clock at least once every 24-hour period.
- 6) The licensee shall only use the services of a totalizator company that is currently licensed in such capacity by the KHRC.
- 7) The licensee shall require its licensed tote company to provide all wagering data requested by the KHRC or its designee with respect to any website, affiliate, or any other such entity related to the licensee through which the licensee facilitates wagers by Kentucky account-holders or by any account-holder who is not a Kentucky resident and who is wagering on Kentucky races.
- 8) The licensee shall post policies and procedures related to pari-mutuel wagering, including the refund policy, on its official website. These policies and procedures shall be viewable without registering for an account with the licensee. The licensee shall also submit a copy of the policies and procedures to the KHRC in its annual license application, and shall notify the KHRC when the policies and procedures are amended and shall submit a copy to the KHRC for approval prior to the implementation of such amendments.
- 9) The licensee shall publish a list of racing associations that have authorized the licensee to participate in their wagering pools. This list shall be viewable without registering for an account with the licensee.
- 10) The licensee shall submit to the Director of Pari-Mutuel Wagering and Compliance or his or her designee an electronic copy of the Advanced Deposit Wagering Excise Tax Report (Kentucky Form 73A102) no later than the first business day of the week next succeeding the week during which the wagers forming the base of the tax were received.
- 11) The licensee shall submit to the KHRC a separate report for each affiliate that includes the following information:
 - a. For Kentucky account holders:
 - i. The total amount wagered on each Kentucky racetrack;
 - ii. The total amount wagered on all non-Kentucky racetracks;
 - b. For non-Kentucky account holders, the total amount wagered on each Kentucky racetrack.

Proposed 2019 Advance Deposit Wagering
Conditions of Licensure
Original Presented to the KHRC on December 11, 2018

- 12) The reports outlined in Section 11 shall be submitted to the Director of Pari-Mutuel Wagering and Compliance according to the following schedule:
 - a. For wagering from January 1, 2019 through and including March 31, 2019, the report shall be submitted no later than April 15, 2019;
 - b. For wagering from April 1, 2019 through and including June 30, 2019, the report shall be submitted no later than July 15, 2019;
 - c. For wagering from July 1, 2019 through and including September 30, 2019, the report shall be submitted no later than October 15, 2019;
 - d. For wagering from October 1, 2019 through and including December 31, 2019, the report shall be submitted no later than January 15, 2020;
- 13) On or prior to September 20, 2019, the licensee shall submit to the Director of Pari-Mutuel Wagering and Compliance a report certifying the average daily account total for all Kentucky residents between the dates of March 4, 2019 and August 25, 2019. This report shall be in the form of a notarized affidavit signed by the licensee's Chief Financial Officer or Chief Executive Officer.
- 14) On or prior to September 21, 2019, the licensee shall submit to the Director of Pari-Mutuel Wagering and Compliance a report certifying the average weekly excise tax amount paid to the Commonwealth of Kentucky between the dates of March 4, 2019 and August 25, 2019. This report shall be in the form of a notarized affidavit signed by the licensee's Chief Financial Officer or Chief Executive Officer.
- 15) Prior to issuance of the 2019 license, the licensee shall secure an irrevocable bond from a surety company admitted to the Commonwealth of Kentucky or other form of financial security such as an irrevocable letter of credit in favor of the Commonwealth of Kentucky. The bond or letter of credit amount shall be the 125% of the amount reported in section (13) of these Conditions plus the 400% of the amount report in Section (15) of these Conditions unless any of the following conditions apply:
 - a. If the licensee was not licensed for operation in the Commonwealth of Kentucky prior to November 1, 2018, the bond or letter of credit amount shall be \$50,000.
 - b. If the sum of the amounts equaling 125% of the amount reported in Section (13) of these Conditions and 400% of the amount reported in Section (15) of these Conditions is less than or equal to \$50,000, the bond or letter of credit amount shall be \$50,000.
 - c. If the sum of the amounts equaling 125% of the amount reported in Section (13) of these Conditions and 400% of the amount reported in Section (15) of these Conditions exceeds \$500,000, the bond or letter of credit amount shall be \$500,000.
- 16) In the event the licensee does not comply with the requirements of these conditions or if any required document is not submitted according to the prescribed date, the KHRC has the authority to levy fines and assess penalties, which can include license suspension or revocation.

Proposed 2019 Advance Deposit Wagering
Conditions of Licensure
Original Presented to the KHRC on December 11, 2018

Note: Any documents deemed to be confidential or proprietary, which if openly disclosed would permit an unfair commercial advantage to competitors of the entity, shall be stamped or otherwise labeled "Confidential and Proprietary" on every page of the document so that the documents can be reviewed concerning the applicability of KRS 61.878(1)(c)(1). All documents not labeled "Confidential and Proprietary" may be subject to disclosure pursuant to the Kentucky Open Records Act.

I, _____, a duly authorized
representative of _____, hereby
acknowledge and certify acceptance of the above conditions of the advance deposit wagering
company's license for the year 2019 to offer advance deposit wagering in the Commonwealth of
Kentucky.

Authorized Representative of Advance Deposit Wagering Licensee

Date



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for AmWest Entertainment

AmWest Entertainment ("AmWest") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. AmWest has been cooperative and forthcoming with requests for additional information.

Among other things, the AmWest application states the following:

- It was organized in Kentucky in 2004 as a limited liability company. Its principle business office is currently located in Prospect, KY.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State.
- It currently operates in 27 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.



AmWest has been forthcoming and cooperative in during the current review period.

Full renewal of the application to provide advance deposit wagering services for AmWest Entertainment is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for eBet Technologies, Inc.

eBet Technologies, Inc. ("eBet") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. eBet has been cooperative and forthcoming with requests for additional information.

Among other things, the eBet application states the following:

- It was organized in Nevada in 2008 as a limited liability company and is 100% owned by Sportech, PLC. Its principal business office is currently located in New Haven, CT. Sportech PLC, also wholly owns and operates Sportech Racing, a totalizator company which is currently licensed by and in good standing with the Kentucky Horse Racing Commission. Sportech Racing has applied for a 2019 Totalizator renewal license.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Nevada.
- It currently operates in 30 jurisdictions and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.



- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

eBet has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to eBet Technologies is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for Lien Games Racing, LLC

Lien Games Racing, LLC ("Lien Games") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. Lien Games has been cooperative and forthcoming with requests for additional information.

Among other things, the Lien Games application states the following:

- It was organized in North Dakota in 2005 as a limited liability company. Its principle business office is currently located in Fargo, ND.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in North Dakota.
- It currently operates in 28 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.



Lien Games has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to Lien Games Racing, LLC is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for NYRABets, LLC

NYRABets, LLC ("NYRABets") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. NYRABets has been cooperative and forthcoming with requests for additional information.

Among other things, the NYRABets application states the following:

- It was organized in Delaware in 2016 as a limited liability company. NYRABets is a wholly owned subsidiary of New York Racing Association. Its principal business office is currently located in Jamaica, NY.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It currently operates in 28 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.



- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

NYRABets has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to NYRABets is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for PariBet, LLC

PariBet, LLC ("PariBet") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the 2019 application. PariBet has been cooperative and forthcoming with requests for additional information.

Among other things, the PariBet application states the following:

- It was organized in Florida in 2013 as a limited liability company. Its principle business office is currently located in Singer Island, FL.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State.
- It currently operates in 16 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.



Please note that as of November 30, 2018, PariBet has not begun operations in the Commonwealth.

PariBet has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to PariBet, LLC is recommended.

COMMISSION ACTION

_____Approved

_____Denied



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for ODS Technologies, L.P. d/b/a/ TVG Network ("TVG")

ODS Technologies, L.P. d/b/a/ TVG Network ("TVG") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. TVG has been cooperative and forthcoming with requests for additional information.

Among other things, the TVG application states the following:

- It was organized in Delaware in 1994 as a limited partnership. ODS Holding, LLC has a 97.667% interest in ODS Technologies, L.P. Its principal business office is currently located in Los Angeles, CA.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It currently operates in 33 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.



- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

TVG has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to TVG is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for Churchill Downs Technology Initiatives Company d/b/a/ TwinSpires ("TwinSpires")

Churchill Downs Technology Initiatives Company d/b/a/ Twin Spires ("Twin Spires") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. Twin Spires has been cooperative and forthcoming with requests for additional information.

Among other things, the Twin Spires application states the following:

- It was organized in Delaware in 2007 as a limited partnership. Twin Spires is a wholly owned subsidiary of Churchill Downs, Incorporated. Its principal business office is currently located in Louisville, KY. Churchill Downs, Incorporated also wholly owns and operates United Tote Company, a totalizator company which is currently licensed and in good standing with the Kentucky Horse Racing Commission, and Churchill Downs Racetrack, which is also in good standing with the Kentucky Horse Racing Commission. United Tote has applied for a 2019 Totalizator renewal license and Churchill Downs Racetrack was granted a 2019 Racing Association Renewal License.



- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It currently operates in 40 jurisdictions in the United States and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

TwinSpires has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to Twin Spires is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for Watch and Wager, LLC

Watch and Wager, LLC ("WAW") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. WAW has been cooperative and forthcoming with requests for additional information.

Among other things, the WAW application states the following:

- It was organized in Nevada in 2010 as a limited liability company. Its principal business office is currently located in San Francisco, CA.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Nevada.
- It currently operates in 28 states and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.



Watch and Wager has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to Watch and Wager, LLC is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 ADW Renewal Application for Xpressbet, LLC

Xpressbet, LLC ("Xpressbet") has submitted a renewal application for 2019 licensure to provide advance deposit wagering services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. Xpressbet has been cooperative and forthcoming with requests for additional information.

Among other things, the Xpressbet application states the following:

- It was organized in Delaware in 2001 as a limited partnership. XpressBet is a wholly owned subsidiary of The Stronach Group, Incorporated. Its principal business office is currently located in Washington, PA. The Stronach Group also wholly owns and operates AmTote International, a totalizator company which is currently licensed and in good standing with the Kentucky Horse Racing Commission. AmTote International has applied for a 2019 ADW renewal license.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It currently operates in 54 states/provinces/territories and is licensed in every jurisdiction in which the organization operates that currently requires a license to offer ADW services.



- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.

XpressBet has been forthcoming and cooperative in during the current review period.

Issuance of a renewal license to conduct Advance Deposit Account Wagering to Xpressbet, LLC is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 Totalizator License Application for AmTote International

AmTote International ("AmTote") submitted a renewal application for 2019 licensure to provide totalizator services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. AmTote has been cooperative and forthcoming with requests for additional information.

Among other things, the AmTote application states the following:

- It was organized in Delaware in 1991 as a limited liability company and is 100% owned by The Stronach Group, and its principal business office is currently located in Hunt Valley, Maryland. The Stronach Group also wholly owns and operates Xpressbet, LLC, an ADW which is currently licensed and in good standing with the Kentucky Horse Racing Commission. Xpressbet has applied for a 2019 ADW renewal license.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It is currently licensed in 23 states and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.



- It currently provides totalizator services for historical horse racing at The Red Mile and several advance deposit wagering companies licensed by the KHRC.
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the 12 months prior to the submission of their application. The independent auditors, Deloitte, LLP, issued a satisfactory opinion and noted no major exceptions. AmTote International has plans in place to address the few minor exceptions noted in the report.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.
- It has operational systems in place that will maintain compliance with the Kentucky Horse Racing Commission Totalizator Standards. AmTote has also signed an affidavit indicating that the organization will abide by the Kentucky Horse Racing Commission Totalizator Standards.

AmTote has been forthcoming and cooperative in during the current review period.

Full renewal of the application to provide totalizator services is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 Totalizator License Application for Sportech Racing, LLC

Sportech Racing, LLC ("Sportech") submitted a renewal application for 2019 licensure to provide totalizator services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. Sportech has been cooperative and forthcoming with requests for additional information.

Among other things, the Sportech application states the following:

- It was organized in Delaware in 1980 as a limited liability company and is 100% owned by Sportech, Inc., and its principal business office is currently located in New Haven, Connecticut. Sportech PLC also wholly owns and operates eBet Technologies, an ADW which is currently licensed and in good standing with the Kentucky Horse Racing Commission. eBet Technologies has applied for a 2019 ADW renewal license.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Delaware.
- It is currently licensed in 25 jurisdictions in the United States and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.



- It provides totalizator services at Ellis Park, Kentucky Downs, and several advance deposit wagering companies licensed by the KHRC.
- It currently does not provide totalizator services to any Kentucky racetracks.
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the past 12 months. The independent auditors, Grant Thornton, LLP, issued a satisfactory opinion and noted no major exceptions.
- It has operational systems in place that will maintain compliance with the Kentucky Horse Racing Commission Totalizator Standards. Sportech has also signed an affidavit indicating that the organization will abide by the Kentucky Horse Racing Commission Totalizator Standards.
- Sportech has had no major incident reports related to wagering in Kentucky over the past licensing period.

Sportech has been forthcoming and cooperative in during the current review period.

Full renewal of the application to provide totalizator services is recommended.

COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: November 30, 2018

Re: 2019 Totalizator License Application for United Tote Company

United Tote Company ("United Tote") submitted a renewal application for 2019 licensure to provide totalizator services in the Commonwealth of Kentucky. **A full copy of the application and attachments is available for your review at the KHRC office.**

KHRC staff members and Chairman Kling have reviewed the application. United Tote has been cooperative and forthcoming with requests for additional information.

Among other things, the United Tote application states the following:

- It was organized in Montana in 1975 as a limited liability company and is 100% owned by Churchill Downs Incorporated, and its principal business office is currently located in Louisville, Kentucky. Churchill Downs, Incorporated also wholly owns and operates Twin Spires, an ADW which is currently licensed and in good standing with the Kentucky Horse Racing Commission, and Churchill Downs Racetrack, which is also in good standing with the Kentucky Horse Racing Commission. Twin Spires has applied for a 2019 ADW renewal license and Churchill Downs Racetrack was granted a 2019 Racing Association Renewal License.
- It is currently good standing and authorized to do business in Kentucky with the Secretary of State and is also in good standing and authorized to do business in Montana.
- It is currently licensed in 35 states and provinces and in every jurisdiction in which the organization operates that currently requires a license to perform totalizator services.



- It currently provides totalizator services to Bluegrass Downs, Churchill Downs, Keeneland, The Red Mile, and Turfway Park, and several advance deposit wagering companies licensed in Kentucky
- It has had an SOC 1 Type II Report audit (formerly SAS 70 audit) of its internal controls completed in the past 12 months prior to the submission of their application. The independent auditors, Mountjoy Chilton and Medley, LLP, issued a satisfactory opinion and noted no major exceptions.
- There are no major outstanding occurrences to warrant concern by the Kentucky Horse Racing Commission.
- It has operational systems in place that will maintain compliance with the Kentucky Horse Racing Commission Totalizator Standards. United Tote has also signed an affidavit indicating that the organization will abide by the Kentucky Horse Racing Commission Totalizator Standards.

United Tote has been forthcoming and cooperative in during the current review period.

Full renewal of the application to provide totalizator services is recommended.

COMMISSION ACTION

_____Approved

_____Denied

_____Deferred



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRONWORKS PKWY, BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

To: Kentucky Horse Racing Commission

From: Steve May, Director of Pari-Mutuel Wagering and Compliance

Date: December 5, 2018

Re: Churchill Downs' Request to Update Ainsworth Game Technology Historical Horse Racing Pari-Mutuel Wagering Profiles

It was recently discovered that the Ainsworth Game Technology ("AGT") historical horse racing pari-mutuel wagering system contained races in which horses had been scratched from the original race. AGT has worked diligently with Churchill Downs to resolve this issue. Kentucky Horse Racing Commission ("KHRC") staff continues to believe that patrons have not been harmed by the inclusion of the non-compliant races, but the investigation into this matter is ongoing.

The database of races used for pari-mutuel wagering on the AGT system has since been reconfigured to remove the non-compliant races. The updated database has been tested for compliance with Kentucky statutes and regulations by Gaming Laboratories International ("GLI"), one of the independent, third-party testing laboratories under contract with the KHRC. The results of this testing were sent to the KHRC¹ staff on November 14, 2018. The report certifies that all races in the reconfigured database comply with Kentucky statutes and regulations. This report will be sent to all commissioners in a separate document.

AGT has made some modifications to its pari-mutuel wagering system after updating the race database. Specifically, AGT has incorporated the new database and made updates to Pac Man Wilds wager profile and entertaining game theme. Churchill Downs is now requesting KHRC approval of the updates to the AGT system.

¹ GLI Report MO-399-CDI-18-01

BMM Testlabs (“BMM”), the independent, third-party test lab that has performed previous testing on the AGT system, has recently completed testing of the updated pari-mutuel wagering configuration for the Pac Man Wilds wager profile. A written report was sent to KHRC staff on December 4, 2018 confirming this testing.

AGT is currently updating all of their remaining historical horse racing pari-mutuel wagering profiles to incorporate the updated database of races, and BMM will test the profiles for compliance with Kentucky statutes and regulations. Over the next two months, KHRC staff expects to receive a number of BMM reports on the updated wager profiles until all current AGT historical horse racing pari-mutuel wager profiles are updated to reflect the changes made to the race database on which pari-mutuel wagering occurs.

KHRC staff is requesting commission approval of the changes to the Pac Man Wilds wager profile and entertaining game theme. KHRC staff also requests the authority to review and conditionally approve the changes to any other wager profile that is updated, tested, and reported to the KHRC between now and the February 2019 KHRC meeting. Specifically, the KHRC staff is requesting the authority to grant a conditional approval of updates for any wager profile if the KHRC staff believes that the updated profile complies with all Kentucky statutes and regulations similar to the Pac Man Wilds update before the commission today. All conditional approvals by the staff will be brought before the commission for ratification at the February 2019 meeting.

KHRC staff will be available to answer any questions related to this request, and all documents related to this request will be available at the KHRC office for review by commissioners during normal business hours.

COMMISSION ACTION

_____ Approved

_____ Denied

_____ Deferred



Tim Bryant
Derby City Gaming, LLC
4520 Poplar Level Rd
Louisville, KY 40213
Tim.Bryant@derbycitygaming.com
502-961-7601

December 5, 2018

Mr. Marc A. Guilfoil
Executive Director
Kentucky Horse Racing Commission
4063 Iron Works Parkway, Bldg. B
Lexington, KY 40511

RE: Request for Kentucky Horse Racing Commission Approval of Updates to Existing Game Themes with a New Race Set Database at the Derby City Gaming Historical Horse Racing Facility.

Dear Mr. Guilfoil:

As you know, on July 17, 2018 and August 21, 2018, the Kentucky Horse Racing Commission ("Commission") approved Churchill Downs Racetrack, by and through its wholly owned subsidiary Derby City Gaming, LLC, to offer exotic wagers on historical horse races at our Derby City Gaming location at 4520 Poplar Level Road, Louisville, KY 40213 (previously referred to as Trackside). At the same time, the Commission approved the Ainsworth Game Technology Historical Horse Racing Pari-Mutuel Wagering System (the "Ainsworth System"), along with sixty-four (64) entertaining game themes, all of which had been evaluated and certified by an approved independent testing lab.

As the Commission aware, it was determined that the race set database used in our HHR System included historical races where runners were scratched after entries were taken. Importantly, it should be noted that the historical racing machines in use at Derby City Gaming have never enabled any wagers on a horse that did not run in a race. If a horse was scratched at any time prior to a race, that horse was removed from the field and was not eligible for wagering. However, this request is to correct this technical violation and to only offer historical races that had no runners that were scratched after entries were taken.

We respectfully request the Commission's approval of following updated version of the HHR Wagering System Central Server, BGGame Terminal, HHR Management Terminal and HHR Trust Report which will allow games to utilize the new race set database. We are also requesting approval of an updated version of Pac Man Wild, a previously approved game theme, to utilize this new race set database that only offers historical races that had no runners that were scratched after entries were taken. The updated game theme also includes adjustments to the payoff configurations that were made during the process of updating the game(s) with the new race set database.

1. Ainsworth Historical Horse Racing System – AINS14661KY
 - a. HHR Wagering System Central Server – 9.0.1.131
 - b. BGGame Terminal – 9.0.1.142
 - c. HHR Management Terminal – 9.0.1.132
 - d. HHR Trust Report – 9.0.1.111
2. Pac-Man Wild Edition v2018.10.22.8 HHR – AINS14641KY
 - a. Pac-Man Wild Edition 2018.10.22.8
 - b. HHRGameInfo.9.0.2.1

It is our understanding that these updates have been tested by BMM and the associated report(s) have been provided to the Commission or will be shortly. Furthermore, it is our understanding that the database of historical races has been tested by Gaming Laboratories, Inc. (GLI), another approved independent test lab, to ensure the races offered are in compliance with 810 KAR 1:011 Section 3 (1). For the reasons set forth herein, Churchill Downs respectfully requests the Commission's approval of the updates included in this letter.

Finally, updates to the remaining sixty-three (63) previously-approved game titles are in process, and we expect those updates to be completed and tested by BMM on a rolling basis over the coming weeks. Thank you, in advance, for your consideration of those game updates and associated reports so that we can have our race set compliance issue fully resolved as soon as possible.

Sincerely,



Tim Bryant
President & General Manager – Derby City Gaming

cc: Steve May, KHRC
Justin Paul



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: The Kentucky Horse Racing Commission

FROM: Mary Scollay, DVM

DATE: December 11, 2018

SUBJECT: Penalty Classification for Cannabidiol

On September 14, 2018 the KHRC received from Industrial Laboratories a Report of Finding for cannabidiol (commonly known as CBD oil). Cannabidiol is not listed in the Kentucky Horse Racing Commission's Uniform Drug, Medication, and Substance Classification Schedule. Pursuant to 811 KAR 1:095, the KHRC may assign a penalty classification and is able to consult the Racing Medication and Testing Consortium (RMTC) and/or the Association of Racing Commissioners International (ARCI) as it considers the appropriate classification. Cannabidiol is currently not classified in the ARCI's Uniform Classification of Foreign Substances.

On September 17, I requested of Dr. Dionne Benson that the RMTC make a recommendation for a classification of cannabidiol. The RMTC Scientific Advisory Committee (SAC) convened by conference call on September 26, and after discussion and deliberation recommended an ARCI classification of 3/B. On November 1, I received notification that the RMTC Board of Directors had approved the Scientific Advisory Committee's Recommendation. While I sit on both the RMTC SAC and the RMTC Board I recused myself from the deliberations and respective votes.

Cannabidiol is constituent of the cannabis plant but also of industrial hemp. It is available in over-the-counter preparations in Kentucky but must be derived from industrial hemp, not cannabis (which remains illegal to grow or possess in Kentucky). It is possible to determine the source plant of cannabidiol as concentrations of tetrahydrocannabinol (THC) are also present when sourced from cannabis.

Cannabidiol has FDA approval for treatment of a specific type of seizure refractory to conventional medications. It has an array of other purported effects that are currently under



investigation, but have not yet been scientifically documented. Recommended applications include: pain relief, reduction of anxiety and depression, treatment of PTSD, relief of cancer- (and chemotherapy-) related nausea and vomiting. Reported side effects include diarrhea, changes in appetite, and fatigue.

The Kentucky Equine Drug Research Council convened on Monday November 26 and voted unanimously in support of the RMTC's recommendation.

Approval of the B penalty classification is recommended.

Commission Action:

_____ **Approved**
_____ **Deferred**
_____ **Denied**



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: The Kentucky Horse Racing Commission

FROM: Mary Scollay, DVM

DATE: December 11, 2018

SUBJECT: Penalty Classification for Tetrahydrocannabinol (THC)

Tetrahydrocannabinol (THC) is the primary psychoactive substance derived from the cannabis plant. It exerts a range of central nervous system effects. THC is a DEA Schedule I drug classified as having “no accepted medical use” and lacking accepted safety information. Even in states that have adopted regulations permissive of medicinal or recreational cannabis, a prohibition remains on the detection of these substances in racehorses. THC has no recognized therapeutic use in the horse. Synthetic THC products such as Spice are already classified as a Class 1A violation under the ARCI rules. In its October 12 teleconference, the RMTC SAC recommended THC be classified consistent with its synthetic counterparts.

The Kentucky Equine Drug Research Council convened on November 26 and voted unanimously in support of the RMTC’s recommendation.

Approval of the A penalty classification is recommended.

Commission Action:

_____ **Approved**
_____ **Deferred**
_____ **Denied**





MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: The Kentucky Horse Racing Commission

FROM: Mary Scollay, DVM

DATE: December 11, 2018

SUBJECT: Penalty Classification for Cardarine

On September 25, 2018 the KHRC received from Industrial Laboratories a Report of Finding for cardarine (also known as GW 501516). Cardarine is not listed in the Kentucky Horse Racing Commission's Uniform Drug, Medication, and Substance Classification Schedule. Pursuant to 810 KAR 1:028, the KHRC may assign a penalty classification and is able to consult the Racing Medication and Testing Consortium (RMTC) and/or the Association of Racing Commissioners International (ARCI) as it considers the appropriate classification. Cardarine is currently not classified in the ARCI's Uniform Classification of Foreign Substances.

Cardarine is a peroxisome proliferator-activated receptor (PPAR) agonist and is banned by the World Antidoping Agency as a performance enhancing drug. Studies in mice demonstrated that cardarine increased fat utilization, increased running distance to fatigue, resulted in increased blood glucose levels by reducing insulin levels, and increased slow-twitch muscle fibers resulting in increased endurance.

Several jurisdictions requested the RMTC recommend a penalty classification for cardarine. The RMTC's Scientific Advisory Committee (SAC) convened by teleconference on October 12 and recommended a 2/A classification. Subsequent to that the RMTC Board of Directors voted unanimously in favor of the recommendation. The ARCI will consider the classification recommendation at its upcoming meeting on December 2.

As with cannabidiol, I recused myself from discussions and votes at both the SAC level and the Board level.



The Kentucky Equine Drug Research Council convened on November 26 and voted unanimously to accept the RMTC's recommendation.

Approval of the A penalty classification is recommended.

Commission Action:

_____ **Approved**
_____ **Deferred**
_____ **Denied**



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: The Kentucky Horse Racing Commission

FROM: Mary Scollay, DVM

DATE: December 11, 2018

SUBJECT: Characterizing Compositional and Mechanical Changes of Equine Proximal Sesamoid Bones Associated with Catastrophic Race Failure

At the request of the EDRC, Dr. Jennifer Janes and her associates submitted a full proposal for review. The projected timeline was two years and the amount requested was \$192,556 to compare a spectrum of bone quality parameters between untrained control horses, trained control horses, and case horses (trained and having sustained proximal sesamoid bone fracture(s)). Fractures of the sesamoid bones represent one of the most common fracture types occurring in racing horses but unlike the condylar fracture, the pathogenesis of these fractures has not been well studied. This project intends to use a range of imaging and mechanical tests to characterize differences between trained, untrained, and injured proximal sesamoid bones. The research represents a collaborative effort by the UK Department of Veterinary Science, UK School of Medicine and UK School of Biomedical Engineering. The proposal was subjected to external review by individuals with expertise in fields related to the scope of the study.

External reviewers were enthusiastic about the collaborative resources to be engaged in this project. However, reviewers also recommended that a pilot project be undertaken to verify that the techniques proposed can be applied to equine bone as the methods described referenced rodent models. The investigators were provided with reviewer commentary and in response submitted a revised proposal for a pilot project in accordance with reviewers' recommendations. The pilot project will examine a limited number of horses in order to demonstrate that the imaging methods can be applied to equine bone.

Timeline: 12 months

Amount requested: \$50,000



The Kentucky Equine Drug Research Council convened on November 26 and approved funding of this project with five votes in favor and one abstention.

Approval is recommended.

Commission Action:

_____ **Approved**
_____ **Deferred**
_____ **Denied**



MATTHEW G. BEVIN
GOVERNOR

K. GAIL RUSSELL
ACTING SECRETARY

FRANKLIN S. KLING, JR.
CHAIRMAN

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: The Kentucky Horse Racing Commission

FROM: Mary Scollay, DVM

DATE: December 11, 2018

SUBJECT: Installation of moisture sensors on grooming harrows for temporal and spatial analysis of moisture content on a dirt racing surface

Moisture content is the single most important variable in the performance of dirt racing surfaces over which Thoroughbred racing is conducted. Current practices involve moisture measurement once daily at a limited, prescribed set of points around the racetrack. Subsequent to those measurements, moisture control relies on the subjective art of surface management—in consideration of multiple factors such as temperature, humidity, wind, precipitation, and surface conditioning equipment used.

The proposed work will develop a low cost sensor that will characterize moisture and GPS location when mounted to a grooming harrow. When the method is validated, the harrow mounted sensors will acquire and transmit via cellular network data that can be analyzed to determine spatial and/or temporal variations in moisture. Temporal variations can be reconciled with weather station data from the racetrack and surface management records. The overall goal will be to acquire sufficient data to develop methods to refine moisture management to previously unattainable standards.

The EDRC convened on November 26th to consider this proposal and voted unanimously in favor of funding of the project IF Dr. Peterson provided satisfactory answers to three queries:

- 1) Clarification of the relationship between the Racing Surfaces Testing Laboratory a 501(c)3 organization, and the University of Kentucky where Dr. Peterson is a faculty member;
- 2) Description of duties and time allocation for the project's engineering position; and,
- 3) Description of how the intellectual property developed will be managed.

On November 29th Dr. Peterson submitted his responses which were then circulated to, and approved by, the EDRC members.

Amount requested: \$40,000.

Timeline: 12 months

Approval is recommended.

Commission Action:

<hr/>	Approved
<hr/>	Deferred
<hr/>	Denied

2018 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS
18-0095	10/11/2018	6/28/2018	Ian R. Wilkes	Betamethasone (sample #00114474)	C	Fined	\$ 500	Paid
18-0096	10/11/2018	6/28/2018	Jamie Hill and Michael J. McMahon (owners)	Betamethasone (sample #00114474)	C	BOURBON RESOLUTION disqualified and purse redistributed. All purse monies must be returned to the association.		DQ and purse redistribution completed
18-0097	10/13/2018	10/5/2018	Christopher M. Davis	Disorderly conduct (disrespectful toward racing officials)		Fined	\$ 250	Paid
18-0098	10/26/2018	10/21/2018	Chris M. Landeros	Careless riding		Suspended 3 days (November 3, November 4 and November 7, 2018)		Suspension served
18-0099	10/11/2018	11/1/2018	John M. Gerbas, Jr.	Dexamethasone (sample #00117442)	C	Fined	\$ 500	Not Paid
18-0100	10/11/2018	11/1/2018	James E. Fender, Jr. (owner)	Dexamethasone (sample #00117442)	C	NANA'S JOY disqualified and purse redistributed. All purse monies must be returned to the association.		DQ and purse redistribution completed
18-0101	11/4/2018	10/28/2018	Alex L. Canchari	Failure to fulfill riding engagement (2nd offense)		Fined	\$ 200	Paid
18-0102	11/7/2018	11/3/2018	Bartolo Morales	Disorderly conduct (permitted unlicensed person to mount his lead pony in a restricted area)		Suspended through and including November 25, 2018		Suspension served
18-0103	11/8/2018	11/3/2018	Angie Athayde Stevens	Violated regulation that governs advertising		Fined	\$ 1,000	

2018 THOROUGHBRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG CLASS	PENALTY OR ACTION	FINE	STATUS
18-0104	11/10/2018	10/5/2017	Alberto Bahena	Restored to good standing		Suspension lifted		Eligible to apply for a license
18-0105	11/14/2018	6/26/2015	Brian K. Cook	Restored to good standing		Fine paid and suspension lifted		Eligible to apply for a license
18-0106	11/17/2018	11/17/2018	Jerry V. Dixon	Disorderly conduct (improperly aided a license to attempt to claim a horse)		Suspended through and including November 26, 2018		Suspension served
18-0107	11/22/2018	11/18/2018	Robby J. Albarado	Disorderly conduct and lapse in good judgment in winner's circle at Churchill Downs		Fined	\$ 200	Not Paid
18-0108	11/24/2018	11/23/2018	Chris M. Landeros	Careless riding		Suspended 3 days (November 28 through November 30, 2018, inclusive)		Suspension served
18-0109	11/24/2018	11/23/2018	Florent Geroux	Careless riding		Suspended 3 days (December 5 through December 7, 2018, inclusive)		Suspension served
18-0110	11/28/2018	11/24/2018	Julio A. Garcia	Failure to fulfill riding engagement		Fined	\$ 100	Not Paid

2018 TB RULINGS LIST BY CATEGORY (Through November 30, 2018)

MEDICATION VIOLATIONS

<u>Medication Class</u>	<u>Total</u>	<u>Fines</u>	<u>Suspensions</u>	<u>Disqualifications</u>	<u>Appeals</u>	<u>Explanations</u>
Class A	1	1	1	1	1	Dextromethamphetamine - (APPEALED)
Class B	2	2	2	2	1	Cobalt (162 ppb), 3-hydroxylicloaine - (APPEALED)
Class C	14	14	0	14	0	Methocarbamol, Triamcinolone acetonide, Dexamethasone, Betamethasone
Class D	0	0	0	0	0	
NSAIDS	6	2	0	0	0	Flunixin, Pheylbutazone - (4 warning letters issued)
Multiple NSAIDS	4	4	1	0	0	Concentrations of both below the primary level and above the secondary level (suspension for 2nd offense in 365 days)
TCO2	<u>0</u>	0	0	0	0	
		(total \$21,500)				
Subtotal	27					

NON-MEDICATION VIOLATIONS

Jockey Violations

Careless Riding	16	0	16	0	0	Routine riding offenses
Overly Aggressive Riding	0	0	0	0	0	
Other Disciplinary Violations	7	6	1	0	0	Failed drug screen, violated advertising regulation, improper use of riding crop, failure to fulfill riding engagements, disorderly conduct
		(total \$1,850)				
Subtotal	<u>23</u>					

Other Licensee Violations

Misc. violations by licensees	4	4	0	0	0	Violated scratch regulation, failure to honor call, violated advertising regulation
Disorderly conduct, formal ejections, criminal charges	15	3	10	0	0	Pending criminal charges, abusive and profane language, felony conviction, disorderly conduct, conduct against the best interest of racing, falsification of license application, formal ejection from association
Suspended for non payment of fines	1	0	1	0	0	
		(total \$3,750)				
Subtotal	<u>20</u>					

Other Rulings Issued	40	0	0	0	0	The remaining 40 rulings that have been issued in 2018 are for information only and include purse redistributions, licensee restored to good standing, rulings rescinded, falsification of license application, license rescinded without prejudice
TOTAL 2018 RULINGS	<u>110</u>	<u>\$27,100</u>				

2018 STANDARD BRED RULINGS

RULING NUMBER	RULING DATE	INFRACTION DATE	ISSUED TO	DETERMINATION	DRUG PENALTY CLASS	FINE OR WRITTEN WARNING	STATUS	PAID	Suspension (days)	COMMENTS
J2018-001	2/7/2018	8/6/2017	Sean R McAleese	Failure to pay			Suspended	3/5/2018	Suspended Indefinitely	ref Ruling J2017-018
J2018-002	2/7/2018	8/3/2017	Jim T Brinson	Failure to pay			Suspended		Suspended Indefinitely	ref Ruling J2017-025
J2018-003	1/2/2018	12/11/2017	Tyler G Shehan				Restored to good standing	1/2/2018		Paid fine
J2018-004	2/19/2018	8/6/2017	Sean R McAleese				Restored to good standing	2/19/2018		Paid fine
J2018-005	3/20/2018	10/7/2017	James D Mulnix	Betamethasone	4	\$500	Withdrew Appeal			Purse redistribution
J2018-006	5/4/2018	8/3/2017	Jim T Brinson				Restored to good standing	5/3/2018		Paid fine
J2018-007	6/7/2018	6/3/2018	Dakota A Jackson	Careless Driving			Suspended		6/7/18 - 6/13/18	
J2018-008	6/13/2018	5/13/2016	Calvin L Harris	Caffeine	2	Rescinded				Fine rescinded due to mitigating circumstances
J2018-009	6/13/2018	9/6/2018	Calvin L Harris				Restored to good standing	6/13/2018		Paid fine
J2018-010	6/13/2018	11/3/2016	Devernon K Wilson				Restored to good standing	6/13/2018		Paid fine
J2018-011	6/22/2018	6/8/2018	Gary R Campbell	disturbing the peace		\$50	Probation		remainder of 2018	Paid fine
J2018-012	7/18/2018	6/9/2018	George F Anthrop	TCO2	3	\$1,500		8/2/2018		Paid fine
J2018-013	8/3/2018	7/17/2018	Tyler G Shehan	Falsification of license application			Suspended		7/24/18 - 8/22/18	
J2018-014	8/4/2018	8/3/2018	Randy D Crisler	Failure to Obey Judges Orders		\$50		9/16/2018		Paid fine
J2018-016	8/5/2018	8/4/2018	Jamaal D. Denson	Failure to Obey Judges Orders		\$50		8/30/2018		Paid fine
J2018-017	8/5/2018	8/4/2018	Chris S. Presley	Failure to Obey Judges Orders		\$50		8/30/2018		Paid fine
J2018-018	8/10/2018	8/5/2018	Tyler Alan Smith	Laying back in the sulky		\$50		8/30/2018		Paid fine
J2018-019	8/10/2018	8/5/2018	Mark E Evers	Failure to Obey Judges Orders		\$50		8/22/2018		Paid fine
J2018-020	8/10/2018	8/5/2018	Cameron L McCown	Failure to Obey Judges Orders		\$50		8/29/2018		Paid fine
J2018-021	8/10/2018	8/5/2018	Joshua Sutton	Failure to Obey Judges Orders		\$50		8/12/2018		Paid fine
J2018-022	8/11/2018	8/5/2018	Trevor Gene Smith	Failure to Obey Judges Orders		\$50		10/6/2018		Paid fine
J2018-023	8/11/2018	8/4/2018	Wyatt A Avenatti	Indiscriminate use of whip		\$100		9/6/2018		Paid fine
J2018-024	8/11/2018	8/9/2018	Tom T Tetrick	Indiscriminate use of whip		\$100		8/12/2018		Paid fine
J2018-025	8/19/2018	8/4/2018	Tyler G Shehan	Suspension violation			Probation		remainder of 2018	
J2018-026	8/23/2018	8/12/2018	Dale A Loney	whipping under the shaft		\$100		9/26/2018		Paid fine
J2018-027	9/2/2018	8/30/2018	Andrew John McCarthy	Indiscriminate use of whip		\$200		9/28/2018		Paid fine
J2018-028	8/31/2018	8/25/2018	Jeremy C Bobbitt	causing interference		\$150		9/6/2018		Paid fine
J2018-029	9/7/2018	9/6/2018	Jimmy W Takter	Failure to Obey Judges Orders		\$100		9/7/2018		Paid fine
J2018-030	9/8/2018	8/30/2018	Kevin Thomas	disturbing the peace		\$500				NOT PAID
J2018-031	9/8/2018	9/6/2018	Dexter J Dunn	Failure to Obey Judges Orders		\$100				NOT PAID
J2018-032	8/30/2018	8/23/2018	Rodney L DeBeck	causing interference			Suspended		8/29/18 - 9/2/18	
J2018-033	9/21/2018	9/8/2018	Cameron L McCown	Failure to Obey Judges Orders		\$100				NOT PAID
J2018-034	9/25/2018	9/15/2018	Jamaal D. Denson	Indiscriminate use of whip		\$100		10/11/2018		Paid Fine
J2018-035	9/21/2018	9/16/2018	Daniel Dube	Indiscriminate use of whip		\$200		10/11/2018		Paid Fine
J2018-036	10/4/2018	9/29/2018	Andy Miller	Indiscriminate use of whip		\$200		10/4/2018		Paid Fine
J2018-037	10/5/2018	9/28/2018	Dale Loney	Failure to pay			Restored to good standing			Suspended in error, fine paid 9/26/18
J2018-038	10/5/2018	10/4/2018	Joseph Pennacchio	Indiscriminate use of whip		\$200		10/5/2018		Paid fine

KHRC Veterinary Report

Keeneland Fall Meet 2018

Total Starts	1515
---------------------	------

Post Race Samples	358
tCO ₂	247

Veterinary Scratches	11
-----------------------------	----

Pre-Race	6
On-Track	5
Soundness related	2
Gate/paddock Injury	3

KHRC Veterinary List	18
-----------------------------	----

Scratches	11
Race Injuries/post race lame/test barn lame	4
EIPH	1
Heat Distress	2

Ambulance Runs	6
-----------------------	---

Racing Fatalities	1
musculo-skeletal	1
sudden death	0

Training Fatalities	2
musculo-skeletal	2

KHRC Veterinary Report

Churchill Downs September Meet 2018

Total Starts	934
---------------------	-----

Post Race Samples	236
tCO ₂	136

Veterinary Scratches	8
-----------------------------	---

Pre-Race	4
On-Track	4
Soundness related	3
Gate/paddock Injury	1

KHRC Veterinary List	14
-----------------------------	----

Scratches	8
Race Injuries/post race lame/test barn lame	2
EIPH	0
Heat Distress	4

Ambulance Runs	9
-----------------------	---

Racing Fatalities	5
musculo-skeletal	5
sudden death	0

Training Fatalities	2
musculo-skeletal	2

Occurrence of Thoroughbred race-related fatalities in Kentucky 2007 to present

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (Equibase)	Fatalities per 1,000 starts
2007	Musculoskeletal	2	1	5	2	4	3	4	2	2	3	4	5	37	23,180	1.60
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.04
	TOTAL	2	1	5	2	4	3	4	2	2	4	4	5	38		1.64
2008	Musculoskeletal	3	0	4	2	3	2	2	2	3	2	4	8	35	22,278	1.57
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	0	4	2	3	2	2	2	3	2	4	8	35		1.57
2009	Musculoskeletal	3	5	1	2	4	1	2	4	3	3	2	3	33	20,142	1.64
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	3	5	1	2	4	1	2	4	3	3	2	3	33		1.64
2010	Musculoskeletal	2	1	2	0	0	2	4	2	1	3	7	1	25	18,167	1.38
	Non-musculoskeletal	0	0	1	1	0	0	0	0	0	0	0	0	2		0.11
	TOTAL	2	1	3	1	0	2	4	2	1	3	7	1	27		1.49
2011	Musculoskeletal	2	2	1	1	2	5	1	3	2	5	3	1	28	18,258	1.53
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.05
	TOTAL	2	2	1	1	2	5	1	3	3	5	3	1	29		1.59
2012	Musculoskeletal	0	0	1	2	9	2	0	2	0	3	5	3	27	17,513	1.54
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	1	0	0	1		0.06
	TOTAL	0	0	1	2	9	2	0	2	0	4	5	3	28		1.60

Year	Category Non-musculoskeletal: EIPH, Sudden Death, Racing Accident	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Starts (Equibase)	Fatalities per 1,000 starts
2013	Musculoskeletal	2	2	0	0	1	2	2	5	3	1	1	3	22	16,242	1.35
	Non-musculoskeletal	0	0	0	0	0	0	0	0	1	0	0	0	1		0.06
	TOTAL	2	2	0	0	1	2	1	5	4	1	1	3	23		1.42

2014	Musculoskeletal	2	2	0	0	3	0	1	1	1	3	3	0	16	14,460	1.11
	Non-musculoskeletal	0	0	0	0	0	0	0	0	0	0	0	0	0		0.00
	TOTAL	2	2	0	0	3	0	1	1	1	3	3	0	16		1.11

2015	Musculoskeletal	3	1	1	0	3	2	1	1	3	3	2	1	21	15,514	1.35
	Non-musculoskeletal	0	0	0	0	0	1	0	1	0	0	0	0	2		0.13
	TOTAL	3	1	1	0	3	3	1	2	3	3	3	1	23		1.48

2016	Musculoskeletal	0	2	0	4	4	3	1	0	1	2	5	1	23	16,495	1.39
	Non-musculoskeletal	0	0	0	0	0	2	1	0	0	0	0	0	3		0.18
	TOTAL	0	2	0	4	4	5	2	0	1	2	5	1	26		1.58

2017	Musculoskeletal	1	2	1	2	1	3	0	1	2	3	2	0	18	15,032	1.20
	Non-musculoskeletal	0	0	0	0	0	2	0	0	0	0	0	0	2		0.13
	TOTAL	1	2	1	2	1	5	0	1	2	3	2	0	20		1.33

2018	Musculoskeletal	2	1	0	4	3	1	6	0	7	1	3		28		
	Non-musculoskeletal	0	0	1	0	1	0	0	1	0	0	1		4		
	TOTAL	2	1	1	4	4	1	6	1	7	1	4	0	32		

Kentucky Pari-Mutuel Excise Tax and BIF by Source, July 1, 2018 - November 30, 2018

Racetrack/ADW	Thoroughbred Development Fund		Standardbred Development Fund		QH/Other Development Fund		Equine Industry Program		Equine Drug Research		Higher Education Fund		Backside Improvement Fund		ADW Host Track Allocation		ADW Purse Allocation		Kentucky General Fund		Total Excise Tax FYTD-18	
	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	% of Fund Total	FYTD-18	Total Excise Tax
Live	\$242,690	4.5%	\$17,362	2.7%			\$67,495	9.1%	\$33,748	8.4%	\$33,748	8.4%	\$161,794	100.0%					\$114,644	3.1%	\$671,481	5.7%
Blue Grass Downs																						
Churchill Downs	\$79,040	1.5%					\$21,077	2.8%	\$10,539	2.6%	\$10,539	2.6%	\$52,693	32.6%					\$36,885	1.0%	\$210,773	1.8%
Ellis Park	\$30,979	0.6%					\$8,261	1.1%	\$4,130	1.0%	\$4,130	1.0%	\$20,652	12.8%					\$14,457	0.4%	\$82,610	0.7%
Keeneland	\$123,149	2.3%					\$32,840	4.4%	\$16,420	4.1%	\$16,420	4.1%	\$82,099	50.7%					\$57,470	1.5%	\$328,397	2.8%
Kentucky Downs	\$8,387	0.2%					\$2,237	0.3%	\$1,118	0.3%	\$1,118	0.3%	\$5,591	3.5%					\$3,914	0.1%	\$22,366	0.2%
The Red Mile			\$17,362	2.7%			\$2,778	0.4%	\$1,389	0.3%	\$1,389	0.3%							\$1,389	0.0%	\$24,307	0.2%
Thunder Ridge																						
Turfway Park	\$1,136	0.0%					\$303	0.0%	\$151	0.0%	\$151	0.0%	\$757	0.5%					\$530	0.0%	\$3,028	0.0%
Simulcast	\$909,291	16.9%	\$24,027	3.8%	\$7,163	100.0%	\$23,512	3.2%	\$47,024	11.7%	\$47,024	11.7%							\$352,680	9.5%	\$1,410,721	11.9%
Blue Grass Downs																						
Churchill Downs	\$244,949	4.6%	\$1,100	0.2%	\$2,994	41.8%	\$6,226	0.8%	\$12,452	3.1%	\$12,452	3.1%							\$93,391	2.5%	\$373,565	3.2%
Ellis Park	\$132,742	2.5%	\$11,702	1.8%	\$50	0.7%	\$3,612	0.5%	\$7,225	1.8%	\$7,225	1.8%							\$54,185	1.5%	\$216,741	1.8%
Keeneland	\$295,261	5.5%			\$1,085	15.1%	\$7,409	1.0%	\$14,817	3.7%	\$14,817	3.7%							\$111,130	3.0%	\$444,519	3.7%
Kentucky Downs	\$87,047	1.6%	\$6,660	1.0%	\$2,279	31.8%	\$2,400	0.3%	\$4,799	1.2%	\$4,799	1.2%							\$35,995	1.0%	\$143,979	1.2%
The Red Mile																						
Thunder Ridge																						
Turfway Park	\$149,292	2.8%	\$4,565	0.7%	\$755	10.5%	\$3,865	0.5%	\$7,731	1.9%	\$7,731	1.9%							\$57,979	1.6%	\$231,918	2.0%
ADW															\$207,846	100.0%	\$207,846	100.0%	\$73,357	2.0%	\$489,049	4.1%
AmWest Entertainment															\$434	0.2%	\$434	0.2%	\$153	0.0%	\$1,020	0.0%
eBet Technologies															\$1,104	0.5%	\$1,104	0.5%	\$389	0.0%	\$2,597	0.0%
Horse Races Now															\$10	0.0%	\$10	0.0%	\$4	0.0%	\$24	0.0%
Lien Games															\$154	0.1%	\$154	0.1%	\$54	0.0%	\$362	0.0%
NYRA Bets															\$3,923	1.9%	\$3,923	1.9%	\$1,384	0.0%	\$9,230	0.1%
TVG															\$63,976	30.8%	\$63,976	30.8%	\$22,580	0.6%	\$150,531	1.3%
TwinSpires															\$109,158	52.5%	\$109,158	52.5%	\$38,526	1.0%	\$256,842	2.2%
Watch And Wager															\$216	0.1%	\$216	0.1%	\$76	0.0%	\$507	0.0%
XpressBet															\$28,873	13.9%	\$28,873	13.9%	\$10,190	0.3%	\$67,936	0.6%
HHR	\$4,225,644	78.6%	\$594,497	93.5%			\$650,000	87.7%	\$320,000	79.8%	\$320,000	79.8%							\$3,173,875	85.4%	\$9,284,016	78.3%
Derby City Gaming	\$911,518	17.0%					\$52,856	7.1%	\$26,021	6.5%	\$26,022	6.5%							\$806,619	21.7%	\$1,823,036	15.4%
Ellis Park	\$277,044	5.2%					\$45,123	6.1%	\$22,214	5.5%	\$22,214	5.5%							\$187,492	5.0%	\$554,088	4.7%
Keeneland/Red Mile	\$445,873	8.3%	\$594,497	93.5%			\$136,605	18.4%	\$67,251	16.8%	\$67,251	16.8%							\$104,438	2.8%	\$1,415,915	11.9%
Kentucky Downs	\$2,591,209	48.2%					\$415,416	56.1%	\$204,513	51.0%	\$204,513	51.0%							\$2,075,326	55.9%	\$5,490,977	46.3%
Grand Total	\$5,377,625	100.0%	\$635,886	100.0%	\$7,163	100.0%	\$741,007	100.0%	\$400,772	100.0%	\$400,772	100.0%	\$161,794	100.0%	\$207,846	100.0%	\$207,846	100.0%	\$3,714,557	100.0%	\$11,855,268	100.0%



Kentucky Handle and Excise Tax Report for November, 2018

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Live Racing Dates	20	22	-9.1%	119	124	-4.0%
On-Track Live Handle	\$ 6,663,344	\$ 7,016,428	-5.0%	\$ 33,747,697	\$ 35,856,679	-5.9%
On-Track Simulcast Handle	\$ 11,455,642	\$ 13,333,544	-14.1%	\$ 56,735,066	\$ 63,760,235	-11.0%
Kentucky Resident ADW Handle	\$ 23,672,811	\$ 19,428,467	21.8%	\$ 97,809,869	\$ 87,060,300	12.3%
Historical Horse Racing Handle	\$ 151,382,482	\$ 79,407,798	90.6%	\$ 622,868,856	\$ 419,556,780	48.5%
Total Taxable Handle	\$ 193,174,278	\$ 119,186,237	62.1%	\$ 811,161,488	\$ 606,233,993	33.8%
TB Development Fund	\$ 1,280,969	\$ 793,971	61.3%	\$ 5,377,625	\$ 3,979,462	35.1%
SB Development Fund	\$ 133,748	\$ 112,417	19.0%	\$ 635,886	\$ 610,215	4.2%
QH/Arabian Development Fund	\$ 804	\$ 1,078	-25.4%	\$ 7,163	\$ 9,232	-22.4%
Backside Improvement Fund	\$ 33,317	\$ 35,082	-5.0%	\$ 161,794	\$ 172,484	-6.2%
Equine Industry Program	\$ 18,271	\$ 19,838	-7.9%	\$ 741,007	\$ 747,561	-0.9%
Equine Drug Research	\$ 16,552	\$ 18,626	-11.1%	\$ 400,772	\$ 407,552	-1.7%
Higher Education Fund	\$ 16,552	\$ 18,626	-11.1%	\$ 400,772	\$ 407,552	-1.7%
ADW Host Track Allocation (Note 1)	\$ 50,305	\$ 41,285	21.8%	\$ 207,846	\$ 185,003	12.3%
ADW Purse Allocation (Note 1)	\$ 50,305	\$ 41,285	21.8%	\$ 207,846	\$ 185,003	12.3%
KY General Fund	\$ 1,218,215	\$ 694,678	75.4%	\$ 3,773,574	\$ 2,289,176	64.8%
Total KY Excise Tax	\$ 2,819,038	\$ 1,776,888	58.7%	\$ 11,914,285	\$ 8,993,239	32.5%



Note 1 - As per KRS 138.530

Kentucky Live and Simulcast Wagering Report for November, 2018

Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates	20	22	-9.1%	119	124	-4.0%
On-Track Handle on All Kentucky Races (OTH)	\$ 6,663,344	\$ 7,016,428	-5.0%	\$ 33,747,697	\$ 35,856,679	-5.9%
Less: Return to Public	\$ 5,304,643	\$ 5,577,339		\$ 27,075,418	\$ 28,529,482	
Less: Breakage	\$ 41,353	\$ 44,170		\$ 218,925	\$ 234,528	
Gross Commission	<u>\$ 1,317,348</u>	<u>\$ 1,394,919</u>	-5.6%	<u>\$ 6,453,354</u>	<u>\$ 7,092,669</u>	-9.0%
TB Development Fund (0.75% of On-Track TB Handle)	\$ 49,975	\$ 52,623	-5.0%	\$ 242,690	\$ 258,725	-6.2%
SB Development Fund (1.25% of On-Track SB Handle)				\$ 17,362	\$ 16,999	2.1%
Equine Industry Program (0.2% of OTH)	\$ 13,327	\$ 14,033	-5.0%	\$ 67,495	\$ 71,713	-5.9%
Equine Drug Research (0.1% of OTH)	\$ 6,663	\$ 7,016	-5.0%	\$ 33,748	\$ 35,857	-5.9%
Higher Education Fund (0.1% of OTH)	\$ 6,663	\$ 7,016	-5.0%	\$ 33,748	\$ 35,857	-5.9%
KY General Fund (0.35% of OTH TB, 0.1% OTH SB)	\$ 23,322	\$ 24,557	-5.0%	\$ 114,644	\$ 122,098	-6.1%
Total KY Excise Tax (1.5% of OTH TB, 1.75% of OTH SB)	<u>\$ 99,950</u>	<u>\$ 105,246</u>	-5.0%	<u>\$ 509,688</u>	<u>\$ 541,250</u>	-5.8%
% of Gross Commission	7.59%	7.54%		7.90%	7.63%	
Backside Improvement Fund (0.5% of Total OTH at TB Tracks)	\$ 33,317	\$ 35,082	-5.0%	\$ 161,794	\$ 172,484	-6.2%
Net Commission	\$ 1,184,081	\$ 1,254,590	-5.6%	\$ 5,781,873	\$ 6,378,935	-9.4%
% of On-Track Handle	17.77%	17.88%		17.13%	17.79%	
Off-Track Handle on All Kentucky Races From						
Other KY Tracks	\$ 1,521,153	\$ 1,874,827	-18.9%	\$ 6,971,147	\$ 7,937,702	-12.2%
Kentucky Licensed ADW's	\$ 6,478,865	\$ 5,229,056	23.9%	\$ 22,956,282	\$ 18,352,734	25.1%
Other Sources	\$ 83,500,092	\$ 76,691,744	8.9%	\$ 313,575,826	\$ 270,844,960	15.8%
All Sources Handle on Live Racing	<u>\$ 98,163,453</u>	<u>\$ 90,812,055</u>	8.1%	<u>\$ 377,250,952</u>	<u>\$ 332,992,075</u>	13.3%
Average Daily Handle - On Track	\$ 333,167	\$ 318,929	4.5%	\$ 283,594	\$ 289,167	-1.9%
Average Daily Handle - All Sources	\$ 4,908,173	\$ 4,127,821	18.9%	\$ 3,170,176	\$ 2,685,420	18.1%

Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 9,922,992	\$ 11,663,939	-14.9%	\$ 46,994,214	\$ 52,081,471	-9.8%
Standardbred Simulcast Handle (SBSH)	\$ 1,484,901	\$ 1,595,606	-6.9%	\$ 9,303,041	\$ 11,063,518	-15.9%
Quarter Horse/Arabian/Paint/Mule Simulcast Handle (QSHS)	\$ 47,749	\$ 74,000	-35.5%	\$ 437,811	\$ 615,246	-28.8%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 11,455,642</u>	<u>\$ 13,333,544</u>	-14.1%	<u>\$ 56,735,066</u>	<u>\$ 63,760,235</u>	-11.0%
TB Development Fund (2% of TBSH at TB Tracks)	\$ 192,819	\$ 227,043	-15.1%	\$ 909,291	\$ 1,001,881	-9.2%
SB Development Fund (2% of SBSH at TB Tracks)	\$ 4,157	\$ 4,079	1.9%	\$ 24,027	\$ 22,788	5.4%
QH/Arabian Development Fund (2% of QSHS at TB Tracks)	\$ 804	\$ 1,078	-25.4%	\$ 7,163	\$ 9,232	-22.4%
Equine Industry Program (0.05% of TSH at TB Tracks)	\$ 4,945	\$ 5,805	-14.8%	\$ 23,512	\$ 25,848	-9.0%
Equine Drug Research (0.1% of TSH at TB Tracks)	\$ 9,889	\$ 11,610	-14.8%	\$ 47,024	\$ 51,695	-9.0%
Higher Education Fund (0.1% of TSH at TB Tracks)	\$ 9,889	\$ 11,610	-14.8%	\$ 47,024	\$ 51,695	-9.0%
KY General Fund (0.75% of TSH at TB Tracks)	\$ 74,168	\$ 87,075	-14.8%	\$ 352,680	\$ 387,713	-9.0%
Total KY Excise Tax (3% of TSH at TB Tracks)	<u>\$ 296,670</u>	<u>\$ 348,300</u>	-14.8%	<u>\$ 1,410,721</u>	<u>\$ 1,550,852</u>	-9.0%

Blue Grass Downs Live and Simulcast Wagering Report for November, 2018
Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates					5	-100.0%
On-Track Handle (OTH)					\$ 6,347	-100.0%
Less: Return to Public					\$ 4,978	
Less: Breakage					\$ 58	
Gross Commission					\$ 1,311	-100.0%
SB Development Fund (1.25% of OTH)					\$ 79	-100.0%
Equine Industry Program (0.2% of OTH)					\$ 13	-100.0%
Equine Drug Research (0.1% of OTH)					\$ 6	-100.0%
Higher Education Fund (0.1% of OTH)					\$ 6	-100.0%
KY General Fund (0.1% of OTH)					\$ 6	-100.0%
Total KY Excise Tax (1.75% of OTH)					\$ 111	-100.0%
% of Gross Commission					8.47%	
Net Commission					\$ 1,200	-100.0%
% of On-Track Handle					18.90%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)					\$ 6,347	-100.0%
Average Daily Handle - On Track					\$ 1,269	
Average Daily Handle - All Sources					\$ 1,269	
Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)						
Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 282,047	\$ 311,804	-9.5%	\$ 1,529,651	\$ 1,667,791	-8.3%
Standardbred Simulcast Handle (SBSH)	\$ 8,522	\$ 9,924	-14.1%	\$ 53,262	\$ 52,274	1.9%
Quarter Horse/Other Simulcast Handle (QSHS)				\$ 3,946	\$ 5,730	-31.1%
All-Breed Total Simulcast Handle (TSH)	\$ 290,570	\$ 321,728	-9.7%	\$ 1,586,859	\$ 1,725,795	-8.1%

Churchill Downs Live and Simulcast Wagering Report for November, 2018

Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates	17	20	-15.0%	30	32	-6.3%
On-Track Handle (OTH)	\$ 6,511,922	\$ 6,929,033	-6.0%	\$ 10,538,654	\$ 11,013,435	-4.3%
Less: Return to Public	\$ 5,184,141	\$ 5,507,901		\$ 8,392,579	\$ 8,759,576	
Less: Breakage	\$ 40,371	\$ 43,690		\$ 67,330	\$ 70,402	
Gross Commission	<u>\$ 1,287,410</u>	<u>\$ 1,377,442</u>	-6.5%	<u>\$ 2,078,744</u>	<u>\$ 2,183,457</u>	-4.8%
TB Development Fund (0.75% of OTH)	\$ 48,839	\$ 51,968	-6.0%	\$ 79,040	\$ 82,601	-4.3%
Equine Industry Program (0.2% of OTH)	\$ 13,024	\$ 13,858	-6.0%	\$ 21,077	\$ 22,027	-4.3%
Equine Drug Research (0.1% of OTH)	\$ 6,512	\$ 6,929	-6.0%	\$ 10,539	\$ 11,013	-4.3%
Higher Education Fund (0.1% of OTH)	\$ 6,512	\$ 6,929	-6.0%	\$ 10,539	\$ 11,013	-4.3%
KY General Fund (0.35% of OTH)	\$ 22,792	\$ 24,252	-6.0%	\$ 36,885	\$ 38,547	-4.3%
Total KY Excise Tax (1.5% of OTH)	<u>\$ 97,679</u>	<u>\$ 103,935</u>	-6.0%	<u>\$ 158,080</u>	<u>\$ 165,202</u>	-4.3%
% of Gross Commission	7.59%	7.55%		7.60%	7.57%	
Backside Improvement Fund (0.5% of OTH)	\$ 32,560	\$ 34,645	-6.0%	\$ 52,693	\$ 55,067	-4.3%
Net Commission	\$ 1,157,172	\$ 1,238,861	-6.6%	\$ 1,867,971	\$ 1,963,188	-4.9%
% of On-Track Handle	17.77%	17.88%		17.72%	17.83%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 1,452,100	\$ 1,835,633	-20.9%	\$ 2,364,342	\$ 2,768,552	-14.6%
Kentucky Licensed ADW's	\$ 6,283,915	\$ 5,116,887	22.8%	\$ 9,817,472	\$ 7,783,734	26.1%
Other Sources	\$ 79,954,180	\$ 74,615,319	7.2%	\$ 126,549,608	\$ 111,050,534	14.0%
All Sources Handle on Live Racing (On- and Off-Track)	<u>\$ 94,202,118</u>	<u>\$ 88,496,872</u>	6.4%	<u>\$ 149,270,076</u>	<u>\$ 132,616,255</u>	12.6%
Average Daily Handle - On Track	\$ 383,054	\$ 346,452	10.6%	\$ 351,288	\$ 344,170	2.1%
Average Daily Handle - All Sources	\$ 5,541,301	\$ 4,424,844	25.2%	\$ 4,975,669	\$ 4,144,258	20.1%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 1,965,592	\$ 3,473,479	-43.4%	\$ 12,247,446	\$ 15,097,955	-18.9%
Standardbred Simulcast Handle (SBSH)				\$ 55,006	\$ 37,188	47.9%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 2,970	\$ 2,971	0.0%	\$ 149,703	\$ 136,846	9.4%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 1,968,562</u>	<u>\$ 3,476,449</u>	-43.4%	<u>\$ 12,452,154</u>	<u>\$ 15,271,989</u>	-18.5%
TB Development Fund (2% of TBSH)	\$ 39,312	\$ 69,470	-43.4%	\$ 244,949	\$ 301,959	-18.9%
SB Development Fund (2% of SBSH)				\$ 1,100	\$ 744	47.9%
QH/Other Development Fund (2% of QSHS)	\$ 59	\$ 59	0.0%	\$ 2,994	\$ 2,737	9.4%
Equine Industry Program (0.05% of TSH)	\$ 984	\$ 1,738	-43.4%	\$ 6,226	\$ 7,636	-18.5%
Equine Drug Research (0.1% of TSH)	\$ 1,969	\$ 3,476	-43.4%	\$ 12,452	\$ 15,272	-18.5%
Higher Education Fund (0.1% of TSH)	\$ 1,969	\$ 3,476	-43.4%	\$ 12,452	\$ 15,272	-18.5%
KY General Fund (0.75% of TSH)	\$ 14,764	\$ 26,073	-43.4%	\$ 93,391	\$ 114,540	-18.5%
Total KY Excise Tax (3% of TSH)	<u>\$ 59,057</u>	<u>\$ 104,293</u>	-43.4%	<u>\$ 373,565</u>	<u>\$ 458,160</u>	-18.5%

Ellis Park Live and Simulcast Wagering Report for November, 2018
Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates				29	31	-6.5%
On-Track Handle (OTH)				\$ 4,130,485	\$ 4,784,068	-13.7%
Less: Return to Public				\$ 3,283,472	\$ 3,805,634	
Less: Breakage				\$ 32,897	\$ 38,662	
Gross Commission				<u>\$ 814,116</u>	<u>\$ 939,772</u>	-13.4%
TB Development Fund (0.75% of OTH)				\$ 30,979	\$ 35,881	-13.7%
Equine Industry Program (0.2% of OTH)				\$ 8,261	\$ 9,568	-13.7%
Equine Drug Research (0.1% of OTH)				\$ 4,130	\$ 4,784	-13.7%
Higher Education Fund (0.1% of OTH)				\$ 4,130	\$ 4,784	-13.7%
KY General Fund (0.35% of OTH)				\$ 14,457	\$ 16,744	-13.7%
Total KY Excise Tax (1.5% of OTH)				<u>\$ 61,957</u>	<u>\$ 71,761</u>	-13.7%
% of Gross Commission				7.61%	7.64%	
Backside Improvement Fund (0.5% of OTH)				\$ 20,652	\$ 23,920	-13.7%
Net Commission				\$ 731,506	\$ 844,091	-13.3%
% of On-Track Handle				17.71%	17.64%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks				\$ 1,560,329	\$ 2,183,614	-28.5%
Kentucky Licensed ADW's				\$ 2,231,809	\$ 1,943,347	14.8%
Other Sources				\$ 30,325,870	\$ 30,967,000	-2.1%
All Sources Handle on Live Racing (On- and Off-Track)				<u>\$ 38,248,493</u>	<u>\$ 39,878,029</u>	-4.1%
Average Daily Handle - On Track				\$ 142,431	\$ 154,325	-7.7%
Average Daily Handle - All Sources				\$ 1,318,914	\$ 1,286,388	2.5%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 1,473,090	\$ 1,445,965	1.9%	\$ 6,637,082	\$ 6,975,068	-4.8%
Standardbred Simulcast Handle (SBSH)	\$ 106,082	\$ 79,239	33.9%	\$ 585,093	\$ 484,964	20.6%
Quarter Horse/Other Simulcast Handle (QHSH)	\$ 122	\$ 2,531	-95.2%	\$ 2,517	\$ 43,215	-94.2%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 1,579,294</u>	<u>\$ 1,527,735</u>	3.4%	<u>\$ 7,224,692</u>	<u>\$ 7,503,247</u>	-3.7%
TB Development Fund (2% of TBSH)	\$ 29,462	\$ 28,919	1.9%	\$ 132,742	\$ 139,501	-4.8%
SB Development Fund (2% of SBSH)	\$ 2,122	\$ 1,585	33.9%	\$ 11,702	\$ 9,699	20.6%
QH/Other Development Fund (2% of QHSH)	\$ 2	\$ 51	-95.2%	\$ 50	\$ 864	-94.2%
Equine Industry Program (0.05% of TSH)	\$ 790	\$ 764	3.4%	\$ 3,612	\$ 3,752	-3.7%
Equine Drug Research (0.1% of TSH)	\$ 1,579	\$ 1,528	3.4%	\$ 7,225	\$ 7,503	-3.7%
Higher Education Fund (0.1% of TSH)	\$ 1,579	\$ 1,528	3.4%	\$ 7,225	\$ 7,503	-3.7%
KY General Fund (0.75% of TSH)	\$ 11,845	\$ 11,458	3.4%	\$ 54,185	\$ 56,274	-3.7%
Total KY Excise Tax (3% of TSH)	<u>\$ 47,379</u>	<u>\$ 45,832</u>	3.4%	<u>\$ 216,741</u>	<u>\$ 225,097</u>	-3.7%

Keeneland Live and Simulcast Wagering Report for November, 2018
Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates				17	17	
On-Track Handle (OTH)				\$ 16,419,870	\$ 17,582,871	-6.6%
Less: Return to Public				\$ 13,294,951	\$ 14,005,591	
Less: Breakage				\$ 104,472	\$ 116,362	
Gross Commission				\$ 3,020,447	\$ 3,460,919	-12.7%
TB Development Fund (0.75% of OTH)				\$ 123,149	\$ 131,872	-6.6%
Equine Industry Program (0.2% of OTH)				\$ 32,840	\$ 35,166	-6.6%
Equine Drug Research (0.1% of OTH)				\$ 16,420	\$ 17,583	-6.6%
Higher Education Fund (0.1% of OTH)				\$ 16,420	\$ 17,583	-6.6%
KY General Fund (0.35% of OTH)				\$ 57,470	\$ 61,540	-6.6%
Total KY Excise Tax (1.5% of OTH)				\$ 246,298	\$ 263,743	-6.6%
% of Gross Commission				8.15%	7.62%	
Backside Improvement Fund (0.5% of OTH)				\$ 82,099	\$ 87,914	-6.6%
Net Commission				\$ 2,692,050	\$ 3,109,261	-13.4%
% of On-Track Handle				16.40%	17.68%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks				\$ 2,237,530	\$ 2,147,217	4.2%
Kentucky Licensed ADW's				\$ 8,950,097	\$ 7,119,341	25.7%
Other Sources				\$ 114,193,949	\$ 92,463,411	23.5%
All Sources Handle on Live Racing (On- and Off-Track)				\$ 141,801,446	\$ 119,312,839	18.8%
Average Daily Handle - On Track				\$ 965,875	\$ 1,034,287	-6.6%
Average Daily Handle - All Sources				\$ 8,341,262	\$ 7,018,402	18.8%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 3,286,815	\$ 3,424,099	-4.0%	\$ 14,763,053	\$ 15,286,479	-3.4%
Standardbred Simulcast Handle (SBSH)						
Quarter Horse/Other Simulcast Handle (QHSH)	\$ 6,177	\$ 9,492	-34.9%	\$ 54,232	\$ 76,269	-28.9%
All-Breed Total Simulcast Handle (TSH)	\$ 3,292,992	\$ 3,433,591	-4.1%	\$ 14,817,285	\$ 15,362,748	-3.6%
TB Development Fund (2% of TBSH)	\$ 65,736	\$ 68,482	-4.0%	\$ 295,261	\$ 305,730	-3.4%
SB Development Fund (2% of SBSH)						
QH/Other Development Fund (2% of QHSH)	\$ 124	\$ 190	-34.9%	\$ 1,085	\$ 1,525	-28.9%
Equine Industry Program (0.05% of TSH)	\$ 1,646	\$ 1,717	-4.1%	\$ 7,409	\$ 7,681	-3.6%
Equine Drug Research (0.1% of TSH)	\$ 3,293	\$ 3,434	-4.1%	\$ 14,817	\$ 15,363	-3.6%
Higher Education Fund (0.1% of TSH)	\$ 3,293	\$ 3,434	-4.1%	\$ 14,817	\$ 15,363	-3.6%
KY General Fund (0.75% of TSH)	\$ 24,697	\$ 25,752	-4.1%	\$ 111,130	\$ 115,221	-3.6%
Total KY Excise Tax (3% of TSH)	\$ 98,790	\$ 103,008	-4.1%	\$ 444,519	\$ 460,882	-3.6%

Kentucky Downs Live and Simulcast Wagering Report for November, 2018

Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates				5	5	
On-Track Handle (OTH)				\$ 1,118,276	\$ 1,028,952	8.7%
Less: Return to Public				\$ 918,080	\$ 843,648	
Less: Breakage				\$ 7,285	\$ 6,173	
Gross Commission				\$ 192,912	\$ 179,131	7.7%
TB Development Fund (0.75% of OTH)				\$ 8,387	\$ 7,717	8.7%
Equine Industry Program (0.2% of OTH)				\$ 2,237	\$ 2,058	8.7%
Equine Drug Research (0.1% of OTH)				\$ 1,118	\$ 1,029	8.7%
Higher Education Fund (0.1% of OTH)				\$ 1,118	\$ 1,029	8.7%
KY General Fund (0.35% of OTH)				\$ 3,914	\$ 3,601	8.7%
Total KY Excise Tax (1.5% of OTH)				\$ 16,774	\$ 15,434	8.7%
% of Gross Commission				8.70%	8.62%	
Backside Improvement Fund (0.5% of OTH)				\$ 5,591	\$ 5,145	8.7%
Net Commission				\$ 170,547	\$ 158,552	7.6%
% of On-Track Handle				15.25%	15.41%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks				\$ 654,322	\$ 713,881	-8.3%
Kentucky Licensed ADW's				\$ 1,577,862	\$ 1,203,492	31.1%
Other Sources				\$ 32,238,730	\$ 26,437,819	21.9%
All Sources Handle on Live Racing (On- and Off-Track)				\$ 35,589,190	\$ 29,384,144	21.1%
Average Daily Handle - On Track				\$ 223,655	\$ 205,790	8.7%
Average Daily Handle - All Sources				\$ 7,117,838	\$ 5,876,829	21.1%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 951,325	\$ 959,391	-0.8%	\$ 4,352,367	\$ 4,946,603	-12.0%
Standardbred Simulcast Handle (SBSH)	\$ 61,911	\$ 73,533	-15.8%	\$ 332,988	\$ 374,944	-11.2%
Quarter Horse/Other Simulcast Handle (QHSH)	\$ 23,333	\$ 29,500	-20.9%	\$ 113,958	\$ 128,921	-11.6%
All-Breed Total Simulcast Handle (TSH)	\$ 1,036,568	\$ 1,062,424	-2.4%	\$ 4,799,313	\$ 5,450,467	-11.9%
TB Development Fund (2% of TBSH)	\$ 19,026	\$ 19,188	-0.8%	\$ 87,047	\$ 98,932	-12.0%
SB Development Fund (2% of SBSH)	\$ 1,238	\$ 1,471	-15.8%	\$ 6,660	\$ 7,499	-11.2%
QH/Other Development Fund (2% of QHSH)	\$ 467	\$ 590	-20.9%	\$ 2,279	\$ 2,578	-11.6%
Equine Industry Program (0.05% of TSH)	\$ 518	\$ 531	-2.4%	\$ 2,400	\$ 2,725	-11.9%
Equine Drug Research (0.1% of TSH)	\$ 1,037	\$ 1,062	-2.4%	\$ 4,799	\$ 5,450	-11.9%
Higher Education Fund (0.1% of TSH)	\$ 1,037	\$ 1,062	-2.4%	\$ 4,799	\$ 5,450	-11.9%
KY General Fund (0.75% of TSH)	\$ 7,774	\$ 7,968	-2.4%	\$ 35,995	\$ 40,879	-11.9%
Total KY Excise Tax (3% of TSH)	\$ 31,097	\$ 31,873	-2.4%	\$ 143,979	\$ 163,514	-11.9%

The Red Mile Live and Simulcast Wagering Report for November, 2018
Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates				35	32	9.4%
On-Track Handle (OTH)				\$ 1,388,990	\$ 1,353,611	2.6%
Less: Return to Public				\$ 1,065,834	\$ 1,040,616	
Less: Breakage				\$ 5,960	\$ 2,392	
Gross Commission				<u>\$ 317,197</u>	<u>\$ 310,602</u>	2.1%
SB Development Fund (1.25% of OTH)				\$ 17,362	\$ 16,920	2.6%
Equine Industry Program (0.2% of OTH)				\$ 2,778	\$ 2,707	2.6%
Equine Drug Research (0.1% of OTH)				\$ 1,389	\$ 1,354	2.6%
Higher Education Fund (0.1% of OTH)				\$ 1,389	\$ 1,354	2.6%
KY General Fund (0.1% of OTH)				\$ 1,389	\$ 1,354	2.6%
Total KY Excise Tax (1.75% of OTH)				<u>\$ 24,307</u>	<u>\$ 23,688</u>	2.6%
% of Gross Commission				7.66%	7.63%	
 Net Commission				 \$ 292,889	 \$ 286,914	 2.1%
% of On-Track Handle				21.09%	21.20%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks				\$ 85,572	\$ 85,245	0.4%
Kentucky Licensed ADW's				\$ 184,092	\$ 190,652	-3.4%
Other Sources				\$ 6,721,758	\$ 7,849,772	-14.4%
All Sources Handle on Live Racing (On- and Off-Track)				<u>\$ 8,380,412</u>	<u>\$ 9,479,279</u>	-11.6%
Average Daily Handle - On Track				\$ 39,685	\$ 42,300	-6.2%
Average Daily Handle - All Sources				\$ 239,440	\$ 296,227	-19.2%

Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)						
Standardbred Simulcast Handle (SBSH)	\$ 1,268,534	\$ 1,381,710	-8.2%	\$ 8,048,448	\$ 9,793,348	-17.8%
Quarter Horse/Other Simulcast Handle (QHSH)	\$ 7,529	\$ 20,094	-62.5%	\$ 75,723	\$ 147,826	-48.8%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 1,276,063</u>	<u>\$ 1,401,804</u>	-9.0%	<u>\$ 8,124,170</u>	<u>\$ 9,941,173</u>	-18.3%

Thunder Ridge Live and Simulcast Wagering Report for November, 2018

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates						
On-Track Handle (OTH)						
Less: Return to Public						
Less: Breakage						
Gross Commission						
SB Development Fund (1.25% of OTH)						
Equine Industry Program (0.2% of OTH)						
Equine Drug Research (0.1% of OTH)						
Higher Education Fund (0.1% of OTH)						
KY General Fund (0.1% of OTH)						
Total KY Excise Tax (1.75% of OTH)						
% of Gross Commission						
Net Commission						
% of On-Track Handle						
Off-Track Handle on Kenutucky Races From						
Other KY Tracks						
Kentucky Licensed ADW's						
Other Sources						
All Sources Handle on Live Racing (On- and Off-Track)						
Average Daily Handle - On Track						
Average Daily Handle - All Sources						

Simulcast Wagering on Other Tracks (Note: Standardbred Facilities Only Taxed on Live Racing)

[illegible]

Turfway Park Live and Simulcast Wagering Report for November, 2018

Live Racing

	November-18	November-17	% Change	FYTD - 2019	FYTD - 2018	% Change
Race Dates	3	2	50.0%	3	2	50.0%
On-Track Handle (OTH)	\$ 151,421	\$ 87,395	73.3%	\$ 151,421	\$ 87,395	73.3%
Less: Return to Public	\$ 120,502	\$ 69,438		\$ 120,502	\$ 69,438	
Less: Breakage	\$ 982	\$ 480		\$ 982	\$ 480	
Gross Commission	<u>\$ 29,938</u>	<u>\$ 17,477</u>	71.3%	<u>\$ 29,938</u>	<u>\$ 17,477</u>	71.3%
TB Development Fund (0.75% of OTH)	\$ 1,136	\$ 655	73.3%	\$ 1,136	\$ 655	73.3%
Equine Industry Program (0.2% of OTH)	\$ 303	\$ 175	73.3%	\$ 303	\$ 175	73.3%
Equine Drug Research (0.1% of OTH)	\$ 151	\$ 87	73.3%	\$ 151	\$ 87	73.3%
Higher Education Fund (0.1% of OTH)	\$ 151	\$ 87	73.3%	\$ 151	\$ 87	73.3%
KY General Fund (0.35% of OTH)	\$ 530	\$ 306	73.3%	\$ 530	\$ 306	73.3%
Total KY Excise Tax (1.5% of OTH)	<u>\$ 2,271</u>	<u>\$ 1,311</u>	73.3%	<u>\$ 2,271</u>	<u>\$ 1,311</u>	73.3%
% of Gross Commission	7.59%	7.50%		7.59%	7.50%	
Backside Improvement Fund (0.5% of OTH)	\$ 757	\$ 437	73.3%	\$ 757	\$ 437	73.3%
Net Commission	\$ 26,910	\$ 15,729	71.1%	\$ 26,910	\$ 15,729	71.1%
% of On-Track Handle	17.77%	18.00%		17.77%	18.00%	
Off-Track Handle on Kentucky Races From						
Other KY Tracks	\$ 69,053	\$ 39,194	76.2%	\$ 69,053	\$ 39,194	76.2%
Kentucky Licensed ADW's	\$ 194,950	\$ 112,169	73.8%	\$ 194,950	\$ 112,169	73.8%
Other Sources	\$ 3,545,912	\$ 2,076,425	70.8%	\$ 3,545,912	\$ 2,076,425	70.8%
All Sources Handle on Live Racing (On- and Off-Track)	<u>\$ 3,961,335</u>	<u>\$ 2,315,183</u>	71.1%	<u>\$ 3,961,335</u>	<u>\$ 2,315,183</u>	71.1%
Average Daily Handle - On Track	\$ 50,474	\$ 43,697	15.5%	\$ 50,474	\$ 43,697	15.5%
Average Daily Handle - All Sources	\$ 1,320,445	\$ 1,157,591	14.1%	\$ 1,320,445	\$ 1,157,591	14.1%

Simulcast Wagering on Other Tracks

Handle by Breed						
Thoroughbred Simulcast Handle (TBSH)	\$ 1,964,122	\$ 2,049,201	-4.2%	\$ 7,464,615	\$ 7,787,937	-4.2%
Standardbred Simulcast Handle (SBSH)	\$ 39,852	\$ 51,199	-22.2%	\$ 228,244	\$ 242,316	-5.8%
Quarter Horse/Other Simulcast Handle (QSHS)	\$ 7,619	\$ 9,412	-19.1%	\$ 37,734	\$ 76,371	-50.6%
All-Breed Total Simulcast Handle (TSH)	<u>\$ 2,011,593</u>	<u>\$ 2,109,812</u>	-4.7%	<u>\$ 7,730,593</u>	<u>\$ 8,106,624</u>	-4.6%
TB Development Fund (2% of TBSH)	\$ 39,282	\$ 40,984	-4.2%	\$ 149,292	\$ 155,759	-4.2%
SB Development Fund (2% of SBSH)	\$ 797	\$ 1,024	-22.2%	\$ 4,565	\$ 4,846	-5.8%
QH/Other Development Fund (2% of QSHS)	\$ 152	\$ 188	-19.1%	\$ 755	\$ 1,527	-50.6%
Equine Industry Program (0.05% of TSH)	\$ 1,006	\$ 1,055	-4.7%	\$ 3,865	\$ 4,053	-4.6%
Equine Drug Research (0.1% of TSH)	\$ 2,012	\$ 2,110	-4.7%	\$ 7,731	\$ 8,107	-4.6%
Higher Education Fund (0.1% of TSH)	\$ 2,012	\$ 2,110	-4.7%	\$ 7,731	\$ 8,107	-4.6%
KY General Fund (0.75% of TSH)	\$ 15,087	\$ 15,824	-4.7%	\$ 57,979	\$ 60,800	-4.6%
Total KY Excise Tax (3% of TSH)	<u>\$ 60,348</u>	<u>\$ 63,294</u>	-4.7%	<u>\$ 231,918</u>	<u>\$ 243,199</u>	-4.6%

Kentucky Resident Advance Deposit Wagering Report for November, 2018

	Nov-18	Nov-17	% Change	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	\$ 6,478,849	\$ 5,229,056	23.9%	\$ 22,956,180	\$ 18,352,672	25.1%
Total Out-of-State Handle	\$ 17,193,962	\$ 14,199,411	21.1%	\$ 74,853,689	\$ 68,707,628	8.9%
Total ADW Handle (TAH)	\$ 23,672,811	\$ 19,428,467	21.8%	\$ 97,809,869	\$ 87,060,300	12.3%
Host Track (42.5% Allocation)	\$ 50,305	\$ 41,285	21.8%	\$ 207,846	\$ 185,003	12.3%
Purse (42.5% Allocation)	\$ 50,305	\$ 41,285	21.8%	\$ 207,846	\$ 185,003	12.3%
KY General Fund (15% Allocation)	\$ 17,755	\$ 14,571	21.8%	\$ 73,357	\$ 65,295	12.3%
Total KY Excise Tax (0.5% of TAH)	\$ 118,364	\$ 97,142	21.8%	\$ 489,049	\$ 435,301	12.3%



Source - Kentucky Department of Revenue Weekly Tax Filings

Kentucky Resident Advance Deposit Wagering Report for November, 2018

AmWest Entertainment	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	0.00%	\$ 45	\$ 299	-84.9%	0.15%	\$ 34,091	\$ 34,865	-2.2%
Total Out-of-State Handle	0.23%	\$ 39,682	\$ 46,044	-13.8%	0.23%	\$ 169,987	\$ 229,602	-26.0%
Total Handle	0.17%	\$ 39,727	\$ 46,342	-14.3%	0.21%	\$ 204,078	\$ 264,466	-22.8%
Host Track (42.5% Allocation)	0.17%	\$ 84	\$ 98	-14.3%	0.21%	\$ 434	\$ 562	-22.8%
Purse (42.5% Allocation)	0.17%	\$ 84	\$ 98	-14.3%	0.21%	\$ 434	\$ 562	-22.8%
KY General Fund (15% Allocation)	0.17%	\$ 30	\$ 35	-14.3%	0.21%	\$ 153	\$ 198	-22.8%
Total KY Excise Tax (0.5% of TAH)	0.17%	\$ 199	\$ 232	-14.3%	0.21%	\$ 1,020	\$ 1,322	-22.8%

eBet	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	0.10%	\$ 6,675	\$ 2,169	207.7%	0.18%	\$ 41,350	\$ 19,886	107.9%
Total Out-of-State Handle	0.59%	\$ 101,798	\$ 110,384	-7.8%	0.64%	\$ 477,965	\$ 412,771	15.8%
Total Handle	0.46%	\$ 108,473	\$ 112,553	-3.6%	0.53%	\$ 519,315	\$ 432,657	20.0%
Host Track (42.5% Allocation)	0.46%	\$ 231	\$ 239	-3.6%	0.53%	\$ 1,104	\$ 919	20.0%
Purse (42.5% Allocation)	0.46%	\$ 231	\$ 239	-3.6%	0.53%	\$ 1,104	\$ 919	20.0%
KY General Fund (15% Allocation)	0.46%	\$ 81	\$ 84	-3.6%	0.53%	\$ 389	\$ 324	20.0%
Total KY Excise Tax (0.5% of TAH)	0.46%	\$ 542	\$ 563	-3.6%	0.53%	\$ 2,597	\$ 2,163	20.0%

Horse Races Now	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	0.00%				0.00%	\$ 1,127		
Total Out-of-State Handle	0.00%				0.00%	\$ 3,699		
Total Handle	0.00%				0.00%	\$ 4,826		
Host Track (42.5% Allocation)	0.00%				0.00%	\$ 10		
Purse (42.5% Allocation)	0.00%				0.00%	\$ 10		
KY General Fund (15% Allocation)	0.00%				0.00%	\$ 4		
Total KY Excise Tax (0.5% of TAH)	0.00%				0.00%	\$ 24		

Kentucky Resident Advance Deposit Wagering Report for November, 2018 (Cont)

Lien Games	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	0.00%	\$ 5	\$ 76	-93.4%	0.02%	\$ 4,270	\$ 5,105	-16.4%
Total Out-of-State Handle	0.06%	\$ 9,661	\$ 18,550	-47.9%	0.09%	\$ 68,095	\$ 100,386	-32.2%
Total Handle	0.04%	\$ 9,666	\$ 18,625	-48.1%	0.07%	\$ 72,365	\$ 105,492	-31.4%
Host Track (42.5% Allocation)	0.04%	\$ 21	\$ 40	-48.1%	0.07%	\$ 154	\$ 224	-31.4%
Purse (42.5% Allocation)	0.04%	\$ 21	\$ 40	-48.1%	0.07%	\$ 154	\$ 224	-31.4%
KY General Fund (15% Allocation)	0.04%	\$ 7	\$ 14	-48.1%	0.07%	\$ 54	\$ 79	-31.4%
Total KY Excise Tax (0.5% of TAH)	0.04%	\$ 48	\$ 93	-48.1%	0.07%	\$ 362	\$ 527	-31.4%

NYRabets	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	1.02%	\$ 66,347	\$ 34,974	89.7%	1.06%	\$ 243,880	\$ 153,119	59.3%
Total Out-of-State Handle	1.62%	\$ 277,958	\$ 116,204	139.2%	2.14%	\$ 1,602,023	\$ 825,145	94.2%
Total Handle	1.45%	\$ 344,305	\$ 151,178	127.7%	1.89%	\$ 1,845,903	\$ 978,263	88.7%
Host Track (42.5% Allocation)	1.45%	\$ 732	\$ 321	127.7%	1.89%	\$ 3,923	\$ 2,079	88.7%
Purse (42.5% Allocation)	1.45%	\$ 732	\$ 321	127.7%	1.89%	\$ 3,923	\$ 2,079	88.7%
KY General Fund (15% Allocation)	1.45%	\$ 258	\$ 113	127.7%	1.89%	\$ 1,384	\$ 734	88.7%
Total KY Excise Tax (0.5% of TAH)	1.45%	\$ 1,722	\$ 756	127.7%	1.89%	\$ 9,230	\$ 4,891	88.7%

TVG	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	24.00%	\$ 1,554,603	\$ 1,153,553	34.8%	25.01%	\$ 5,740,589	\$ 4,500,617	27.6%
Total Out-of-State Handle	33.07%	\$ 5,685,643	\$ 4,712,115	20.7%	32.55%	\$ 24,365,570	\$ 23,686,103	2.9%
Total Handle	30.58%	\$ 7,240,245	\$ 5,865,668	23.4%	30.78%	\$ 30,106,159	\$ 28,186,720	6.8%
Host Track (42.5% Allocation)	30.58%	\$ 15,386	\$ 12,465	23.4%	30.78%	\$ 63,976	\$ 59,897	6.8%
Purse (42.5% Allocation)	30.58%	\$ 15,386	\$ 12,465	23.4%	30.78%	\$ 63,976	\$ 59,897	6.8%
KY General Fund (15% Allocation)	30.58%	\$ 5,430	\$ 4,399	23.4%	30.78%	\$ 22,580	\$ 21,140	6.8%
Total KY Excise Tax (0.5% of TAH)	30.58%	\$ 36,201	\$ 29,328	23.4%	30.78%	\$ 150,531	\$ 140,934	6.8%

Kentucky Resident Advance Deposit Wagering Report for November, 2018 (Cont)

TwinSpires	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	57.33%	\$ 3,714,228	\$ 3,265,796	13.7%	56.83%	\$ 13,046,967	\$ 11,215,055	16.3%
Total Out-of-State Handle	53.78%	\$ 9,247,481	\$ 7,733,443	19.6%	51.20%	\$ 38,321,502	\$ 36,134,872	6.1%
Total Handle	54.75%	\$ 12,961,709	\$ 10,999,239	17.8%	52.52%	\$ 51,368,469	\$ 47,349,927	8.5%
Host Track (42.5% Allocation)	54.75%	\$ 27,544	\$ 23,373	17.8%	52.52%	\$ 109,158	\$ 100,619	8.5%
Purse (42.5% Allocation)	54.75%	\$ 27,544	\$ 23,373	17.8%	52.52%	\$ 109,158	\$ 100,619	8.5%
KY General Fund (15% Allocation)	54.75%	\$ 9,721	\$ 8,249	17.8%	52.52%	\$ 38,526	\$ 35,512	8.5%
Total KY Excise Tax (0.5% of TAH)	54.75%	\$ 64,809	\$ 54,996	17.8%	52.52%	\$ 256,842	\$ 236,750	8.5%

Watch and Wager	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	0.12%	\$ 7,461	\$ 1,860	301.2%	0.11%	\$ 25,680	\$ 5,339	381.0%
Total Out-of-State Handle	0.06%	\$ 10,594	\$ 20,602	-48.6%	0.10%	\$ 75,810	\$ 52,365	44.8%
Total Handle	0.08%	\$ 18,055	\$ 22,462	-19.6%	0.10%	\$ 101,491	\$ 57,703	75.9%
Host Track (42.5% Allocation)	0.08%	\$ 38	\$ 48	-19.6%	0.10%	\$ 216	\$ 123	75.9%
Purse (42.5% Allocation)	0.08%	\$ 38	\$ 48	-19.6%	0.10%	\$ 216	\$ 123	75.9%
KY General Fund (15% Allocation)	0.08%	\$ 14	\$ 17	-19.6%	0.10%	\$ 76	\$ 43	75.9%
Total KY Excise Tax (0.5% of TAH)	0.08%	\$ 90	\$ 112	-19.6%	0.10%	\$ 507	\$ 289	75.9%

Xpressbet	% of Total	Nov-18	Nov-17	% Change	% of Total	FYTD-2019	FYTD-2018	% Change
Total In-State Handle	17.43%	\$ 1,129,486	\$ 770,330	46.6%	16.63%	\$ 3,818,226	\$ 2,418,687	57.9%
Total Out-of-State Handle	10.59%	\$ 1,821,145	\$ 1,442,070	26.3%	13.05%	\$ 9,769,038	\$ 7,266,384	34.4%
Total Handle	12.46%	\$ 2,950,631	\$ 2,212,400	33.4%	13.89%	\$ 13,587,264	\$ 9,685,070	40.3%
Host Track (42.5% Allocation)	12.46%	\$ 6,270	\$ 4,701	33.4%	13.89%	\$ 28,873	\$ 20,581	40.3%
Purse (42.5% Allocation)	12.46%	\$ 6,270	\$ 4,701	33.4%	13.89%	\$ 28,873	\$ 20,581	40.3%
KY General Fund (15% Allocation)	12.46%	\$ 2,213	\$ 1,659	33.4%	13.89%	\$ 10,190	\$ 7,264	40.3%
Total KY Excise Tax (0.5% of TAH)	12.46%	\$ 14,753	\$ 11,062	33.4%	13.89%	\$ 67,936	\$ 48,425	40.3%

Kentucky Historical Horse Racing Report for November, 2018

	November-18	November-17	% Change	FYTD-2019	FYTD-2018	% Change
Total Handle	\$ 151,382,482	\$ 79,407,798	90.6%	\$ 622,868,856	\$ 419,556,780	48.5%
Less: Returned to Public	\$ 138,346,142	\$ 73,079,400	89.3%	\$ 570,794,945	\$ 386,650,037	47.6%
Less: Breakage	\$ 89,613	\$ 53,258		\$ 378,510	\$ 288,439	
Less: Settlement	\$ 234,271	\$ 63,646		\$ 732,552	\$ 61,934	
Gross Commission	<u>\$ 12,712,456</u>	<u>\$ 6,211,495</u>	104.7%	<u>\$ 50,962,848</u>	<u>\$ 32,556,370</u>	56.5%
TB Development Fund (See Note 1)	\$ 1,038,175	\$ 514,305	101.9%	\$ 4,225,644	\$ 2,718,855	55.4%
SB Development Fund (See Note 2)	\$ 129,591	\$ 108,338	19.6%	\$ 594,497	\$ 570,427	4.2%
Equine Industry Program (See Note 3)	\$ -	\$ -	-	\$ 650,000	\$ 650,000	0.0%
Equine Drug Research (See Note 4)	\$ -	\$ -	-	\$ 320,000	\$ 320,000	0.0%
Higher Education Fund (See Note 4)	\$ -	\$ -	-	\$ 320,000	\$ 320,000	0.0%
Kentucky General Fund (Note 5)	\$ 1,102,971	\$ 568,474	94.0%	\$ 3,232,892	\$ 1,714,069	88.6%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 2,270,737</u>	<u>\$ 1,191,117</u>	90.6%	<u>\$ 9,343,033</u>	<u>\$ 6,293,352</u>	48.5%
% of Gross Commission	17.9%	19.2%		18.3%	19.3%	
Net Commission	\$ 10,441,719	\$ 5,020,378	108.0%	\$ 41,619,816	\$ 26,263,019	58.5%
% of Total Handle	6.90%	6.32%		6.68%	6.26%	
Number of HHR Terminals	2,734	1,812	50.9%	2,734	1,812	50.9%
Average Daily Handle	\$ 5,046,083	\$ 2,646,927	90.6%	\$ 4,071,038	\$ 2,742,201	48.5%
Handle / Day / Machine	\$ 1,846	\$ 1,461	26.3%	\$ 1,489	\$ 1,513	-1.6%
Gross Commission / Day / Machine	\$ 155	\$ 114	35.6%	\$ 122	\$ 117	3.7%

	November-18	Oct-18	% Change	Since Inception	
Total Handle	\$ 151,382,482	\$ 140,644,329	7.6%	Total Handle	\$4,373,845,415
Total Kentucky Excise Tax	\$ 2,270,737	\$ 2,109,665	7.6%	Total Kentucky Excise Tax	\$65,607,681
Average Daily Handle	\$ 3,784,562	\$ 3,402,685	11.2%	Total KY General Fund	\$22,410,970

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Note 5: Kentucky General Fund receives 1.5% of TH less Notes 1, 2, 3 and 4.

Derby City Gaming Historical Horse Racing Report for November, 2018

	November-18	November-17	% Change	FYTD-2019	FYTD-2018	% Change
Total Handle	\$ 49,804,893	-	-	\$ 121,535,750	-	-
Less: Returned to Public	\$ 44,944,877	-	-	\$ 109,295,812	-	-
Less: Breakage		-		\$ 0	-	
Less: Settlement	\$ 37,962	-		\$ 424,192	-	
Gross Commission	<u>\$ 4,822,054</u>	<u>-</u>	-	<u>\$ 11,815,747</u>	<u>-</u>	-
TB Development Fund (See Note 1)	\$ 373,537	-	-	\$ 911,518	-	-
SB Development Fund (See Note 2)	-	-	-	\$ -	-	-
Equine Industry Program (See Note 3)	-	-	-	\$ 52,856	-	-
Equine Drug Research (See Note 4)	-	-	-	\$ 26,021	-	-
Higher Education Fund (See Note 4)	-	-	-	\$ 26,022	-	-
Kentucky General Fund (Note 5)	\$ 373,537	-	-	\$ 806,619	-	-
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 747,073</u>	<u>-</u>	-	<u>\$ 1,823,036</u>	<u>-</u>	-
% of Gross Commission	15.5%	-		15.4%	-	
Net Commission	\$ 4,074,981	-	-	\$ 9,992,710	-	-
% of Total Handle	8.18%	-		8.22%	-	
Number of HHR Terminals	900	-	-	900	-	-
Average Daily Handle	\$ 1,660,163	-	-	\$ 1,482,143	-	-
Handle / Day / Machine	\$ 1,845	-	-	\$ 1,647	-	-
Gross Commission / Day / Machine	\$ 179	-	-	\$ 160	-	-

	November-18	Oct-18	% Change	Since Inception (September 10, 2018)	
Total Handle	\$ 49,804,893	\$ 44,827,715	11.1%	Total Handle	\$121,535,750
Total Kentucky Excise Tax	\$ 747,073	\$ 672,416	11.1%	Total Kentucky Excise Tax	\$1,823,036
Average Daily Handle	\$ 1,660,163	\$ 1,446,055	14.8%	Total KY General Fund	\$806,619

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Note 5: Kentucky General Fund receives 1.5% of TH less Notes 1, 2, 3 and 4.

Ellis Park Historical Horse Racing Report for November, 2018

	November-18	November-17	% Change	FYTD-2019	FYTD-2018	% Change
Total Handle	\$ 7,152,456	\$ 6,183,907	15.7%	\$ 36,939,180	\$ 32,917,437	12.2%
Less: Returned to Public	\$ 6,563,460	\$ 5,556,289	18.1%	\$ 33,965,345	\$ 30,053,684	13.0%
Less: Breakage	\$ 678	\$ 691		\$ 3,058	\$ 3,559	
Less: Settlement	\$ 15,690	\$ 134,410		\$ 27,411	\$ 242,353	
Gross Commission	<u>\$ 572,629</u>	<u>\$ 492,517</u>	16.3%	<u>\$ 2,943,365</u>	<u>\$ 2,617,841</u>	12.4%
TB Development Fund (See Note 1)	\$ 53,643	\$ 46,379	15.7%	\$ 277,044	\$ 246,881	12.2%
SB Development Fund (See Note 2)	-	\$ -	-	\$ -	\$ -	-
Equine Industry Program (See Note 3)	-	\$ -	-	\$ 45,123	\$ 50,896	-11.3%
Equine Drug Research (See Note 4)	-	\$ -	-	\$ 22,214	\$ 25,028	-11.2%
Higher Education Fund (See Note 4)	-	\$ -	-	\$ 22,214	\$ 25,028	-11.2%
Kentucky General Fund (Note 5)	\$ 53,643	\$ 46,379	15.7%	\$ 187,492	\$ 145,930	28.5%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 107,287</u>	<u>\$ 92,759</u>	15.7%	<u>\$ 554,088</u>	<u>\$ 493,762</u>	12.2%
% of Gross Commission	18.7%	18.8%		18.8%	18.9%	
Net Commission	\$ 465,342	\$ 399,758	16.4%	\$ 2,389,278	\$ 2,124,080	12.5%
% of Total Handle	6.51%	6.46%		6.47%	6.45%	
Number of HHR Terminals	179	179	0.0%	179	179	0.0%
Average Daily Handle	\$ 238,415	\$ 206,130	15.7%	\$ 241,433	\$ 215,147	12.2%
Handle / Day / Machine	\$ 1,332	\$ 1,152	15.7%	\$ 1,349	\$ 1,202	12.2%
Gross Commission / Day / Machine	\$ 107	\$ 92	16.3%	\$ 107	\$ 96	12.4%

	November-18	Oct-18	% Change	Since Inception (August 31, 2012)	
Total Handle	\$ 7,152,456	\$ 6,819,700	4.9%	Total Handle	\$368,463,852
Total Kentucky Excise Tax	\$ 107,287	\$ 102,295	4.9%	Total Kentucky Excise Tax	\$5,526,958
Average Daily Handle	\$ 238,415	\$ 219,990	8.4%	Total KY General Fund	\$1,900,344

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Note 5: Kentucky General Fund receives 1.5% of TH less Notes 1, 2, 3 and 4.

Keeneland/Red Mile Historical Horse Racing Report for November, 2018

	November-18	November-17	% Change	FYTD-2019	FYTD-2018	% Change
Total Handle	\$ 25,918,274	\$ 21,667,514	19.6%	\$ 118,899,378	\$ 114,085,442	4.2%
Less: Returned to Public	\$ 23,961,512	\$ 20,030,870	19.6%	\$ 109,068,198	\$ 105,426,899	3.5%
Less: Breakage	\$ 81,543	\$ 47,762		\$ 328,569	\$ 224,732	
Less: Settlement	\$ (25,860)	\$ (6,980)		\$ 659,641	\$ 42,448	
Gross Commission	\$ 1,901,079	\$ 1,595,862	19.1%	\$ 8,842,970	\$ 8,391,364	5.4%
TB Development Fund (See Note 1)	\$ 97,194	\$ 81,253	19.6%	\$ 445,873	\$ 427,820	4.2%
SB Development Fund (See Note 2)	\$ 129,591	\$ 108,338	19.6%	\$ 594,497	\$ 570,427	4.2%
Equine Industry Program (See Note 3)	-	\$ -	-	\$ 136,605	\$ 176,327	-22.5%
Equine Drug Research (See Note 4)	-	\$ -	-	\$ 67,251	\$ 86,698	-22.4%
Higher Education Fund (See Note 4)	-	\$ -	-	\$ 67,251	\$ 86,698	-22.4%
Kentucky General Fund (Note 5)	\$ 161,989	\$ 135,422	19.6%	\$ 472,014	\$ 363,312	29.9%
Total KY Excise Tax (1.5% of Total Handle)	\$ 388,774	\$ 325,013	19.6%	\$ 1,783,491	\$ 1,711,282	4.2%
% of Gross Commission	20.5%	20.4%		20.2%	20.4%	
Net Commission	\$ 1,512,304	\$ 1,270,850	19.0%	\$ 7,059,481	\$ 6,680,082	5.7%
% of Total Handle	5.83%	5.87%		5.94%	5.86%	
Number of HHR Terminals	902	902	0.0%	902	902	0.0%
Average Daily Handle	\$ 863,942	\$ 722,250	19.6%	\$ 777,120	\$ 745,656	4.2%
Handle / Day / Machine	\$ 958	\$ 801	19.6%	\$ 862	\$ 827	4.2%
Gross Commission / Day / Machine	\$ 70	\$ 59	19.1%	\$ 64	\$ 61	5.4%
	November-18	Oct-18	% Change	Since Inception (September 8, 2015)		
Total Handle	\$ 25,918,274	\$ 23,451,077	10.5%	Total Handle	\$836,266,367	
Total Kentucky Excise Tax	\$ 388,774	\$ 351,766	10.5%	Total Kentucky Excise Tax	\$12,543,996	
Average Daily Handle	\$ 863,942	\$ 756,486	14.2%	Total KY General Fund	\$3,986,833	

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Kentucky Downs Historical Horse Racing Report for November, 2018

	November-18	November-17	% Change	FYTD-2019	FYTD-2018	% Change
Total Handle	\$ 68,506,859	\$ 51,556,378	32.9%	\$ 345,494,548	\$ 272,553,901	26.8%
Less: Returned to Public	\$ 62,876,293	\$ 47,492,241	32.4%	\$ 318,465,590	\$ 251,169,454	26.8%
Less: Breakage	\$ 7,392	\$ 4,805		\$ 46,883	\$ 60,149	
Less: Settlement	\$ 206,479	\$ (63,784)		\$ (378,691)	\$ (222,866)	
Gross Commission	<u>\$ 5,416,695</u>	<u>\$ 4,123,116</u>	31.4%	<u>\$ 27,360,766</u>	<u>\$ 21,547,165</u>	27.0%
TB Development Fund (See Note 1)	\$ 513,801	\$ 386,673	32.9%	\$ 2,591,209	\$ 2,044,154	26.8%
SB Development Fund (See Note 2)	-	\$ -	-	\$ -	\$ -	-
Equine Industry Program (See Note 3)	-	\$ -	-	\$ 415,416	\$ 422,778	-1.7%
Equine Drug Research (See Note 4)	-	\$ -	-	\$ 204,513	\$ 208,275	-1.8%
Higher Education Fund (See Note 4)	-	\$ -	-	\$ 204,513	\$ 208,275	-1.8%
Kentucky General Fund (Note 5)	\$ 513,801	\$ 386,673	32.9%	\$ 1,766,767	\$ 1,204,827	46.6%
Total KY Excise Tax (1.5% of Total Handle)	<u>\$ 1,027,603</u>	<u>\$ 773,346</u>	32.9%	<u>\$ 5,182,418</u>	<u>\$ 4,088,309</u>	26.8%
% of Gross Commission	19.0%	18.8%		18.9%	19.0%	
Net Commission	\$ 4,389,092	\$ 3,349,770	31.0%	\$ 22,178,348	\$ 17,458,857	27.0%
% of Total Handle	6.41%	6.50%		6.42%	6.41%	
Number of HHR Terminals	753	731	3.0%	753	731	3.0%
Average Daily Handle	\$ 2,283,562	\$ 1,718,546	32.9%	\$ 2,258,134	\$ 1,781,398	26.8%
Handle / Day / Machine	\$ 3,033	\$ 2,351	29.0%	\$ 2,999	\$ 2,437	23.1%
Gross Commission / Day / Machine	\$ 240	\$ 188	27.5%	\$ 237	\$ 193	23.3%

	November-18	Oct-18	% Change	Since Inception (September 1, 2011)	
Total Handle	\$ 68,506,859	\$ 65,545,837	4.5%	Total Handle	\$3,047,579,445
Total Kentucky Excise Tax	\$ 1,027,603	\$ 983,188	4.5%	Total Kentucky Excise Tax	\$45,713,692
Average Daily Handle	\$ 2,283,562	\$ 2,114,382	8.0%	Total KY General Fund	\$15,717,174

Note 1: Thoroughbred Development Fund receives .75% of Total Handle at Kentucky Downs and Ellis Park. The rate applies to half of the Total Handle at KRM.

Note 2: The Standardbred Development Fund receives 1.0% of half of the Total Handle at KRM.

Note 3: EIP receives .2% of TH with a fiscal year cap of \$650,000.

Note 4: EDR and HEF each receive .1% of TH with a fiscal year cap of \$320,000.

Note 5: Kentucky General Fund receives 1.5% of TH less Notes 1, 2, 3 and 4.



MATTHEW G. BEVIN
GOVERNOR

FRANKLIN S. KLING, JR.
CHAIRMAN

K. GAIL RUSSELL
ACTING SECRETARY

MARC A. GUILFOIL
EXECUTIVE DIRECTOR

PUBLIC PROTECTION CABINET
KENTUCKY HORSE RACING COMMISSION
ESTABLISHED 1906
4063 IRON WORKS PKWY., BLDG. B
LEXINGTON, KENTUCKY 40511
TELEPHONE: (859) 246-2040 FAX: (859) 246-2039
WEBSITE: [HTTP://KHRC.KY.GOV](http://KHRC.KY.GOV)

TO: ALL COMMISSION MEMBERS

FROM: Jamie Eads, Director, KHRC

DATE: December 5, 2018

SUBJ: CONTRIBUTION TO THE KENTUCKY BREEDERS' INCENTIVE FUNDS

Each year, the Kentucky racetracks offering wagering on historical horse racing along with the Kentucky Horsemen's Benevolent Protective Association and the Kentucky Thoroughbred Association contribute a portion of the horsemen's funds to the Kentucky Breeders' Incentive Funds. This is a contractual agreement between the racetrack and the horsemen's associations. The contributions from each association is added money to the breeders' incentive funds and will be included in the 2019 distributions. Since 2011, nearly \$2.5M has benefitted Kentucky breeders, owners & exhibitors participating in the Kentucky Breeders' Incentive Funds.

Derby City Gaming: \$80,431.07 (*September 10, 2018 – December 2, 2018*)

Ellis Park: \$52,956 (*July 1, 2017-June 30, 2018*)

Keeneland: \$88,172.29 (*November 1, 2017 – October 31, 2018*)

Kentucky Downs: \$513,841.03 (*December 1, 2017 – November 30, 2018*)

